

Purchasing Week

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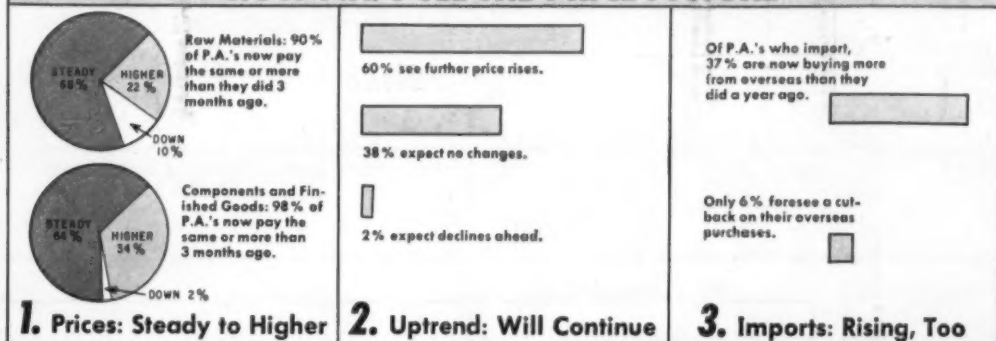
New York, N. Y., April 4, 1960

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\$6 A YEAR U.S. \$25 A YEAR FOREIGN

Hidden Costs Keeping P.A.'s Off Balance

HOW P.A.'S SEE THE PRICE PICTURE



Rising Prices of Packaging, Parts, and Labor Offset Import and Nonferrous Metal Bargains

(A Purchasing Week Survey)

New York—It isn't inflation. But whatever you call it, prices are edging upward. They're higher today than they were three months ago by 1-2%. That is the principal finding of a new PURCHASING WEEK survey of P.A.'s across the country.

The general drift upward comes in spite of weaknesses in non-ferrous metal tags and increasing economies that P.A.'s can gain by boosting their imports. The purchasing director for a large Midwestern machinery firm sums up the trend like this:

"Sure, foreign bargains and weaknesses in nonferrous tags help. But not enough to offset rising costs of packaging, component parts, labor, and finished goods—not enough to keep my over-all tags from inching upward."

What's to blame? Purchasing executives indicate that labor costs are the bugaboo one way or the other.

Here are other key findings of the survey:

• **Raw material price**—A significant number of respondents (22%) report price increases over the last 3 months. They outnumber those reporting declines by about a 2-1 ratio (see chart, left).

But increases are generally small. Over-all, the survey reveals that crude material tags probably haven't risen more than 1% since last December.

2 Typewriter Firms Push Lonely Campaign For New 30% Import Tariff

Washington — Two leading U. S. typewriter manufacturers, seeking tariff help against growing office machine imports, had to go it alone last week at Tariff Commission hearings.

Royal McBee Corp. and Smith-Corona Marchant, Inc. have asked the commission to slap a 30% ad valorem duty on imported machines, which now enter the country tariff-free. They also have requested a minimum tariff of \$10 on any unit.

The industry, however, is split on the issue. Four other large competitors—Remington Rand, Underwood, R. C. Allen, and

• **Components and finished goods**—An even bigger percentage of the respondents (34%) report price increases for this type of goods. More important, for every P.A. reporting a decline, 17 report an increase.

Moreover, the average increase was a bit bigger than for raw materials. Thus, average figures indicate that these prices are up about 2% since last December.

• **Specific price changes** — P.A.'s list some 126 products for which they are paying higher prices than three months ago. But there are plenty of price decreases, too (65 in all). A listing on page 25 gives rundown.

• **What's ahead**—A majority (60% of the purchasing executives queried) see more price

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Air Freight Carriers Promise Big Rate Cuts Within a Year

New York—Rate cuts of up to 72% on North Atlantic air freight last week were hailed as the first major step in bringing air transportation "within the reach of purchasing agents in every industry within a year."

Industry leaders told PURCHASING WEEK that the new rates, which took effect Apr. 1, will be followed later this year by reductions of up to 75% on domestic air cargo. This would bring the cost of East-to-West Coast shipments down to an average of 10¢/lb.—some as low as 6¢/lb.

The new transatlantic rates approved by the Civil Aeronautics Board affect 17 classes of commodities, including foodstuffs, which were chopped from \$1.21 to 72¢ per kilo; textiles, from \$1.10 to 72¢/kilo; optical and photographic equipment from \$1.25 to 81¢/kilo; and scientific instruments, from \$1.25 to 88¢/kilo.

Meanwhile, domestic air freight carriers are gearing for a rate breakthrough later this year. Here's how the U. S. airlines were preparing to make their cargo rates competitive with surface carriers:

• **Flying Tiger Line.** The ten giant Canada Air CL 44 swingtail jet props, each able to carry a 75,000 lb. payload are slated for early delivery. The new planes, plus new automatic loading

Consumers' Buy-Now Mood Spurs Business; More Spending Ahead

Ann Arbor, Michigan — The consumer will provide a strong buffer against any drop-off in business activity in 1960.

That's the major conclusion coming from the January-February University of Michigan survey of consumer attitudes—the most authoritative survey in the consumer field.

A close examination of the Survey Research Center's study reveals some interesting and encouraging factors:

Most important: Consumer attitudes—including their intentions to buy—are at their most optimistic level since December 1956 (see chart on page 6).

This rosy picture is composed of many elements that provide some interesting insights into consumer behavior. As George Katona, head of the Survey Research Center, writes in his new



EQUIPMENT BUYER at Safety Show tries new equipment on for size. It isn't Dior, but new gear and styling is high in comfort.

Safety Equipment Makers Stress Eye Appeal, Comfort

New York—"We're putting all our emphasis on comfort and styling. There's not much sense in giving a worker a piece of safety equipment if he won't wear it." That's what exhibitors told PW at the annual New York Safety Show last week.

"Five years ago," notes a spokesman for the Hi-Test Safety Shoe Co., "we were selling 60% high-cut shoes, 40% oxfords—now it has reversed."

Color is coming in for its share of attention. Exhibitors agreed that "eye appeal" has contributed as much to colors popularity as the "improved visibility factor." A Mine Safety Co. representative, surrounded by brightly colored hats, reminisced, "Ten years ago, there was

(Turn to page 26, column 3)

Guns for Hire

New York—If a private eye knocks on your plant door, don't worry—he's probably selling, not snooping.

At least one big detective agency, Pinkerton's, is sending salesmen around the country gunning for business from P.A.'s who want to chop inventory pilferage losses.

P/W PANORAMA

• **Packaging Experts Have Assembled** this week to take a practical and long-range look at some dramatic developments. If you can't make the packaging show, the story on p. 3 tells you something of what you missed.

• **Future Investigation Headlines** out of Washington may hit close to the purchasing profession. Washington Perspective (p. 4) tabs federal-state highway and construction buying as likely target. Congressional probes think they are on the trail of materials price-fixing, mismanagement.

• **Get Any Two P.A.'s** together and sooner or later they'll start talking inventory control. But when more than 100 purchasing men give the topic a day-long workout, you get more than talk. Read about such a meeting on p. 20.

• **An Industrial Designer Pokes Fun** at P.A.'s and other managerial types in an attempt to prove an old point—too many cooks spoil the broth. The photos and text on pp. 14-15 tell how NOT to handle a design problem.

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Purchasing Perspective

APRIL 4-10

NO EAGER BEAVERS—Consumers have not yet reverted to the devil-may-care spending mood of 1955-56, but there's still plenty of consumer buying sentiment for 1960.

The latest report on consumer readiness to part with a dollar (see story above) should be a valuable clue to industrial buyers seeking further guidance in their own work-a-day buying plans. The latest University of Michigan survey on consumer finances and buying plans shows that householders in a broad range are definitely in the market for 1960 autos, appliances, and durable goods in general.

The report also reveals some striking resemblances to attitudes expressed by representative industrial purchasing groups replying to recent regional business surveys.

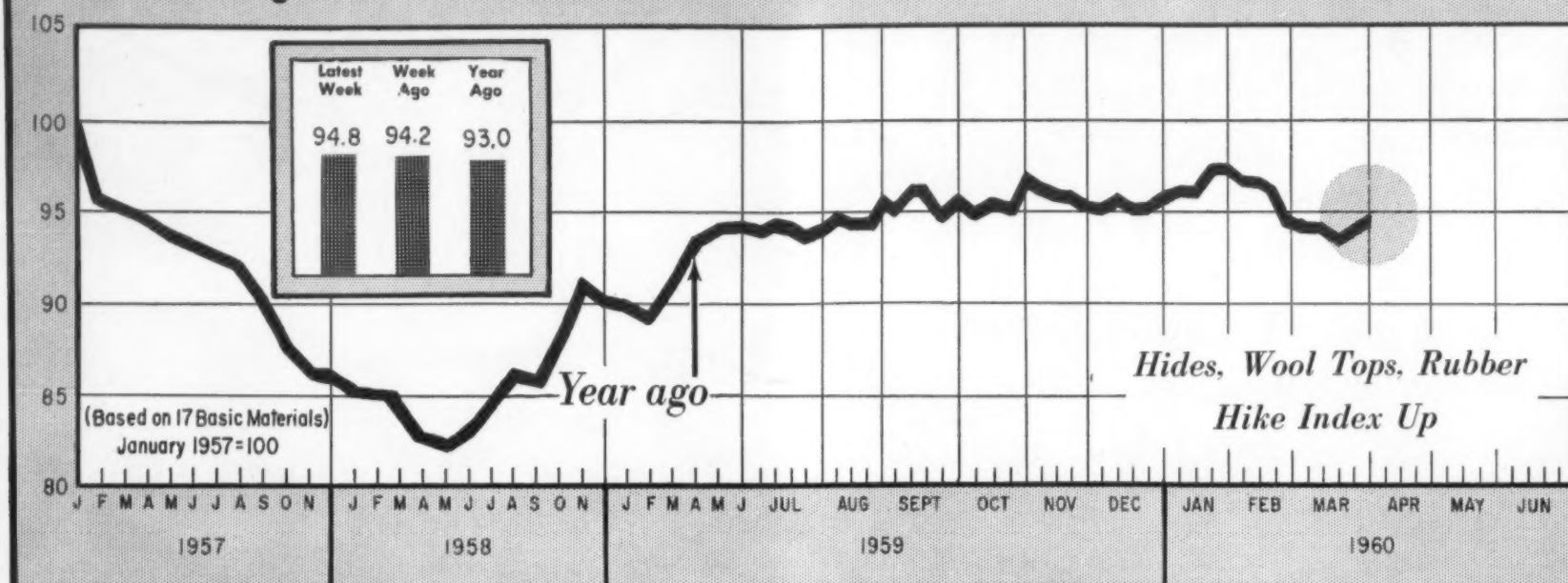
• While impressed with apparent price stability of a number of items (E.G. Autos, Appliances), buyers are keeping their guard up against the threat of future price increases and inflationary action.

• Current buying plans promise a "positive stimulus" to the national economy, but earlier predictions of a "great 1960 boom" have yet to be confirmed.

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Purchasing Week Industrial Materials Price Barometer

This index, based on 17 basic materials, was especially designed by the McGraw-Hill Department of Economics.



This Week's Commodity Prices

	Mar. 30	Mar. 23	Year Ago	% Yrly Change
METALS				
Pig iron, Bessemer, Pitts., gross ton.....	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton.....	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton.....	80.00	80.00	80.00	0
Steel, structural shapes, Pitts., cwt.....	5.50	5.50	5.50	0
Steel, structural shapes, Los Angeles, cwt.....	6.20	6.20	6.20	0
Steel, bars, del., Phila., cwt.....	5.975	5.975	5.975	0
Steel, bars, Pitts., cwt.....	5.675	5.675	5.675	0
Steel, plates, Chicago, cwt.....	5.30	5.30	5.30	0
Steel scrap, #1 heavy, del. Pitts., gross ton.....	36.00	36.00	37.00	-2.7
Steel scrap, #1 heavy, del. Cleve., gross ton.....	33.00	33.00	39.00	-15.4
Steel scrap, #1 heavy, del. Chicago, gross ton.....	32.00	32.00	38.00	-15.8
Aluminum, pig, lb.....	.26	.26	.247	+5.3
Secondary aluminum, #380 lb.....	.25	.25	.218	+14.7
Copper, electrolytic, wire bars, refinery, lb.....	.326	.326	.314	+3.8
Copper scrap, #2, smelters price, lb.....	.238	.238	.28	-15.0
Lead, common, N.Y., lb.....	.12	.12	.11	+9.1
Nickel, electrolytic, producers, lb.....	.74	.74	.74	0
Nickel, electrolytic, dealers, lb.....	.74	.74	.74	0
Tin, Straits, N.Y. lb.....	.999	.998	1.026	-2.6
Zinc, Prime West, East St. Louis, lb.....	.13	.13	.11	+18.2
FUELS†				
Fuel oil #6 or Bunker C, Gulf, bbl.....	2.00	2.00	2.00	0
Fuel oil #6 or Bunker C, N.Y. barge, bbl.....	2.37	2.37	2.37	0
Heavy fuel, PS 400, Los Angeles, rack, bbl.....	2.15	2.15	2.15	0
Lp-Gas, Propane, Okla. tank cars, gal.....	.045	.045	.045	0
Gasoline, 91 oct. reg., Chicago, tank car, gal.....	.11	.11	.12	-8.3
Gasoline, 84 oct. reg., Los Angeles, rack, gal.....	.11	.11	.122	-9.3
Kerosene, Gulf, Cargoes, gal.....	.09	.09	.104	-13.5
Heating oil #2, Chicago, bulk, gal.....	.088	.088	.13	-32.3
CHEMICALS				
Ammonia, anhydros, refrigeration, tanks, ton.....	90.50	90.50	90.50	0
Benzene, petroleum, tanks, Houston, gal.....	.34	.34	.31	+9.7
Caustic soda, 76% solid, drums, carlots, cwt.....	4.80	4.80	4.80	0
Coconut, oil, inedible, crude, tanks, N.Y. lb.....	.183	.183	.208	-12.0
Glycerine, synthetic, tanks, lb.....	.293	.293	.278	+5.4
Linseed oil, raw, in drums, carlots, lb.....	.171	.171	.163	+4.9
Phthalic anhydride, tanks, lb.....	.165	.165	.165	0
Polyethylene resin, high pressure molding, carlots, lb.....	.325	.325	.35	-7.1
Rosin, W.G. grade, carlots, fob N.Y. cwt.....	13.70	13.70	9.85	+39.1
Shellac, T.N., N.Y. lb.....	.31	.31	.30	+3.3
Soda ash, 58%, light, carlots, cwt.....	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton.....	23.50	23.50	23.50	0
Sulfuric acid 66% commercial, tanks, ton.....	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb.....	.06	.061	.075	-20.0
Titanium dioxide, anatase, reg. carlots, lb.....	.255	.255	.255	0
PAPER				
Book paper, A grade, Eng. finish, Untrimmed, carlots, cwt.....	17.20	17.20	17.00	+1.2
Bond paper, #1 sulfite, water marked 20 lb, car. lots, cwt.....	25.20	25.20	24.00	+4.1
Chipboard, del. N.Y., carlots, ton.....	100.00	100.00	95.00	+5.3
Wrapping paper, std. Kraft, basis wt. 50 lb rolls.....	9.25	9.25	9.00	+2.3
Gummed sealing tape, #2, 60 lb basis, 600 ft. bundle.....	6.30	6.30	6.40	-1.6
Old corrugated boxes, dealers, Chicago, ton.....	20.00	20.00	21.00	-4.8
BUILDING MATERIALS‡				
Cement, Portland, bulk carlots, fob New Orleans, bbl.....	3.65	3.65	3.65	0
Cement, Portland, bulk carlots, fob N.Y., bbl.....	4.18	4.18	4.25	-1.6
Southern pine, 2x4, s4s, trucklots, fob N.Y., mftbm.....	124.00	124.00	126.00	-1.6
Douglas fir, 2x4, s4s, carlots, fob Chicago, mftbm.....	137.00	137.00	137.00	0
Douglas fir, 2x4, s4s, carlots, fob Toronto, mftbm.....	105.00	105.00	120.00	-12.5
TEXTILES				
Burlap, 10 oz. 40", N.Y., yd.....	.108	.106	.10	+8.0
Cotton middling, 1", N.Y., lb.....	.341	.341	.359	-5.0
Printcloth, 39", 80x80, N.Y., spot, yd.....	.205	.206	.186	+10.2
Rayon twill 40 1/2", 92x62, N.Y., yd.....	.235	.235	.22	+6.8
Wool tops, N.Y., lb.....	1.49	1.475	1.46	+2.1
HIDES AND RUBBER				
Hides, cow, light native, packers, Chicago, lb.....	.215	.205	.27	-20.4
Rubber, #1 std ribbed smoked sheets, N.Y., lb.....	.412	.408	.325	+26.8

† Source: Petroleum Week ‡ Source: Engineering News-Record

This Week's

Price Perspective

APRIL 4-10

PRICES VIEWED FROM THE BUYER'S ANGLE—instead of the vendor's—can often give a brand new perspective to ticklish procurement problems.

That's why PURCHASING WEEK periodically runs surveys—asking P.A.'s where prices are—and where they're going (see p. 1 for latest findings).

It's one of the few opportunities available to get the price picture from the buyer. That's because the government and most other sources use "seller" data—collecting most of their information from supplier quotes.

Periodic surveys also can:

- **Provide a purchasing yardstick.** Specific price changes revealed by P.A.'s can furnish useful guideposts to current buying programs.

- **Provide clues to future price changes.** Reasons given by P.A.'s for current price changes point up the active inflationary and deflationary forces that are shaping today's and tomorrow's price trends.

- **Provide an accurate check on prices.** Often buyer and seller disagree on what the "real" price is. Comparison of data from both sources can show how close—or far apart—they are.

THE YARDSTICK FUNCTION of a purchasing-oriented price survey can best be illustrated by the two product lists on page 25.

The first covers specific price increases and declines—along with the actual percentage change reported by P.A.'s.

You can check your own experience against this list. Where others report increases not yet felt by you—it could be an indication that some forward buying is in order.

On the other hand, if you are still paying steady prices where others report declines—it might be a good time to check your suppliers as to possible reasons.

The second listing on p. 25 covers imported items that are coming into the country in ever increasing amounts.

If you buy any of these products—or product lines—it might be a good idea to consider the possibility of switching to overseas suppliers.

FUTURE PRICE TRENDS are pinpointed by the survey in several ways.

First, there's the specific findings on future prices. They indicate that industrial tags may be increasing 1 to 2% over the next six months.

Another hint comes from the reasons given for recent price changes.

P.A.'s lay the blame for two out of every three boosts at labor's door.

But despite this labor pressure, there's plenty of indication that rises won't be an across-the-board affair. One hint: In recent months there's been a price decline for every two items that have gone up.

Then, there's the factor of foreign competition as a price inhibitor. Practically every P.A. who is stepping up his imports gives price as the reason. In several cases (ceramic parts and machinery) P.A.'s say they are paying 40% less than domestic products.

THE PRICE CHECK afforded by the current survey reveals a remarkable consistency between "buyer" and "seller" quotations.

The PW study indicates, for example, that crude materials are up about 1% over the past 3 months. This is very close to the over 1/2% gain noted from government sources over the same period.

Actually, this consistency isn't too surprising. With supply and demand in rough balance, there's little need for "unofficial" pricing (heavy discounting in cases of glut, and grey market prices in cases of shortage).

Putting this another way, a seller's price today is usually what he says it is—and not some fictitious version designed to strengthen his bargaining hand.

Packaging Buyers See Compressed Popcorn, 'Bax,' Thinner Tinplate

AMA Exposition in Atlantic City Puts Heaviest Stress on Innovations in Products and Designs

Atlantic City, N.J.—Packaging buyers converging here this week for the big American Management Association Packaging Exposition will see for themselves what large-scale changes have taken place in the past year within the packaging industry.

P.A.'s will be seeing many new and varied products, designs, and improvements—ranging from basic material combinations to packaging machinery and processes.

And a spot check by PURCHASING WEEK in advance of the exhibit shows that stiff market competition among packaging material makers is currently keeping prices fairly well in check—except for a few instances.

But the rash of new products, designs, and product improvements resulting from the all-out market battles is confronting P.A.'s with another problem, one that is both perplexing and rather enviable. It is the problem of choice.

Take some of these newer developments for example:

- A Southern firm is now selling compressed popcorn, molded or cut in shape for use in packaging fragile articles.

- St. Regis Paper Co. has developed what it calls a "Bax," a cross between a bag and a box, used in carrying flour.

- Bymco Engineering Co., Los Angeles, is making a series of triangular plastic shipping containers for use in bulk shipments of liquids and solids, including granular materials.

- Steel mills are now making thin tinplate to ward off the market inroads of aluminum cans.

- Dow Chemical Co. has developed a new swirled texture for molded plastics called "Frost Wood." It is expected to find many applications because of its distinctive wood grain appearance.

- The Western-Waxide Div. of Crown Zellerbach is now making a polyethylene bread wrapper, called Crownseal. It is said to have more strength than cellophane with the same transparency. And it's said that it reduces costs 20% in use.

These are only a few of the innovations in the hotly competitive packaging industry.

"We are all trying to lift our products out of the general run," explains Tom Morris, sales manager for the Flexible Packaging Div. of Continental Can Co. "We're out to develop highly specialized packaging, and a great deal of money is being spent on research."

An official at the Gaylord Container Div. of Crown Zellerbach Corp. comments similarly, "There is a constant increase in new and better packaging designs. If you find a good one today, it will probably be improved within a month."

One of the fastest moving trends in the packaging industry is toward "marriages"—joining

one material to another to form a better, more versatile product. This is particularly true in the plastics and paper industries.

International Paper Co., for example, just recently formed a new division, the Paper-Plastics Sales Div., which will work

primarily in this area of the field.

"Our research laboratories and product development groups have been working to develop further combinations of paper and plastics, and seeking new materials and processes pertinent to this field," explained W. K. Graves, assistant General Sales Manager.

"The merchandising methods necessary to develop the sales of such products can most efficiently

be developed in a single department."

West Virginia Pulp and Paper Co.'s research facilities in Mechanicville, N.Y. are also concentrating on new ways of blending paper with plastics and other materials.

Fibreboard Paper Products Corp., San Francisco, recently introduced two new products along this line: Fibrematic, a liquid tight package made of paperboard with polyethylene liner, used for frozen products, and Fibreflo, corrugated board with plastic film lining made into cartons for bulk handling of liquids, including acids.

Many firms also point out that

the salesman's role in packaging cannot be overemphasized. They say that by putting across to the customer all the ideas and information at his disposal, he can even show the customer how he can benefit by buying something the customer didn't know he could use.

In the same vein, there is currently a big push, particularly by custom packaging firms, toward offering a more complete packaging service—that is, not only blending, mixing, and designing any and all types of materials and containers, but also providing warehousing, shipping, and even invoicing if the customer requires.



Big Hit for Decca -- DARINA

Decca Records, Pinckneyville, Illinois uses Shell Darina Grease 2 for the entire plant's grease lubrication.

When Decca Records opened its Pinckneyville plant late in 1957, it required a high-temperature grease for the hot plasticizing mills. After testing many greases under actual plant conditions, Shell Darina Grease 2 was selected. In fact, Darina® proved so successful in its original application that Decca now uses it throughout the plant.

Darina Grease 2 is a premium-quality, multi-purpose grease with exceptional stability in extended high-temperature applications. It offers

excellent resistance to corrosion and oxidation. It gives outstanding performance (compared with conventional soap-type greases) for long-time wet or dry applications at temperatures as high as 350° F.

For complete data on Darina Grease, write Shell Oil Company, 50 West 50th Street, New York 20, New York, or 100 Bush Street, San Francisco 6, California. In Canada: Shell Oil Company of Canada, Limited, 505 University Avenue, Toronto 2, Ontario.

SHELL DARINA GREASE

the multi-purpose, high-temperature grease



Washington Perspective

APRIL 4-10

Some state purchasing officials may become involved in a big new McClellan-type investigation into the costs of the multi-billion federal-state-highway program.

You haven't heard much about the investigation so far. But it could produce big headlines in the months ahead.

Many of the top-flight investigators who uncovered labor racketeering scandals for the McClellan Subcommittee are being thrown into the highway inquiry.

The investigation is being undertaken by a House public works subcommittee that has a practically unlimited charter to investigate the cost of the multi-billion federal-state highway program.

The subcommittee is headed by Rep. John Blatnik (D.-Minn.), who has a reputation for making political capital and getting legislative results.

Committee investigators are close-mouthed about their operations so far. But they think they have indications of manipulation, price-fixing, and mismanagement in procurement of highway materials among other things.

If so, this could be the next big scandal investigation coming out of Washington. There may not be any full-scale public hearings held this year. But the Highway Committee plans to produce enough questionable cases in the months ahead to convince Congress that there is a need for a watchdog committee to "really give things a going over in 1961."

The committee will run its investigations in much the same manner as was done by the McClellan Committee. Flying squads of investigators will move into areas where malpractices are suspected. Then they will try to wrap up evidence in a tight legal bundle before any fanfare is made of the issue. The next step will be to call hearings where persons involved will have the evidence laid out before them.

The subcommittee already has sent out investigators for quick looks at several states. They report "two or three" cases that indicate highway projects are not being built to specifications.

A team of investigators has been at work in Tulsa, Okla., for several weeks, looking into one stretch of highway that reportedly is falling apart only a year after completion.

Last week, the Bureau of Public Roads moved in with its own team to run new construction tests of the highway. The Tulsa investigation is only a sample of what could be in store for the Federal Administration, state officials, and local contractors.

An important Air Force policy switch will affect defense contracting and subcontracting. The air service puts new emphasis on offense; downgrades defensive strategy.

This will mean less money spent for procurement of defenses against manned aircraft, more pumped into missile buying.

The service proposes to trim out some \$673.1-million from fiscal 1960 and 1961 project money. The program must still be officially cleared, but this is expected in a few weeks.

Here is where the money would be chopped: the 400-mile Bomarc-B anti-aircraft missile program by \$381.1-million; the Sage (semi-automatic ground environment) electronic network that controls both manned fighter planes and anti-aircraft missiles by \$274.2-million. Other projects would get a \$7.8-million cut.

To be beefed up by \$126-million in fiscal 1960 and 1961 is the Atlas ICBM program. Another \$27-million would be used to speed up development of the solid-fueled Minuteman ICBM; some \$60-million for the space projects Midas, Samos, and Discoverer; and additional funds for improvement of the "Century Series" of jet fighter-interceptor aircraft and radar modernization.

Democrats urge a revamping of defense procurement policies to help relieve unemployment.

This is one of 13 recommendations submitted by a special Senate subcommittee in a nine-volume report on unemployment problems. The report is likely to become a political document in the Presidential campaign this year.

Most of the committee's recommendations contain nothing new, reemphasizing proposals for greater federal aid and better benefits for the unemployed.

The proposal on defense procurement calls for a study of present policies with a view to placing contracts where they will most benefit unemployment. Emphasis in such cases would not be on the most efficient methods of procurement, but on employing the most number of people.

Weekly Production Records normally printed on this page appear on page 25, column 4 in this issue.

Fasteners Aren't Likely to Rise Much in Price

New York—The outlook for fastener prices is mixed. While a few producers see price rises coming for standard items, most predict price stability.

The majority opinion was expressed by one Eastern manufacturer who said, "I don't see how we can increase prices unless steel goes up. Sales are disappointing, competition is gunning for the available business, and imports are up to about 7% of U.S. consumption."

Foreign competition looms as a major factor forcing the industry to hold prices down. Imports from Western Europe, the Scandinavian countries, England, and Japan are pressing domestic production in all items, but especially in wood and machine screws and flat washers.

Despite this competition some industry spokesmen feel that rising costs and very low profit margins make a price boost urgent. According to Donn Green-shields, president of Pittsburgh's Screw & Bolt Corp., current prices for the traditional nuts, bolts, rivets, washers, screws, and pins are below 1957 levels. The latest price cut—last November—totaled 7%.

"I look for a 3% to 4% across-the-board price increase within the month (April)," commented Green-shields. "It's necessary to meet our higher costs. And if the price of steel goes up later in the year, we'll have to cover ourselves again."

Not Up to Expectations

Over-all fastener sales are not running up to expectations. While they are 4% to 5% ahead of year-ago levels, observers point out the gain is over a period when the country was just emerging from the '58 recession. Actually, fastener sales are some 14% below the comparable 1957 period.

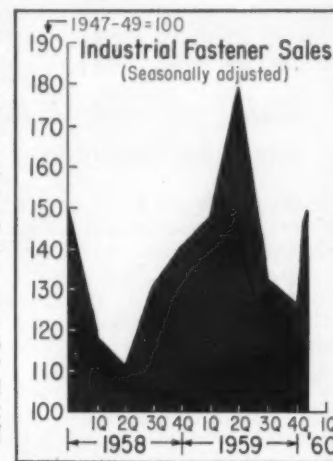
However, most producers are guardedly optimistic about the business outlook, and predictions for 1960 sales vary from as good as last year to 5% to 10% higher.

J. Davey, vice-president of Russell, Burdall & Ward sums up this attitude, "I think the next three months will show a 25% increase in volume with general pickup in construction and capital spending."

In some specialty items the optimism is much more wholehearted. S. R. Marsh, sales manager for All Metal Screw Products—manufacturer of stainless steel fastening—sees the business out-

look for his line as "excellent," and foreign competition as "annoying but not significant to the industry."

As for prices, Marsh notes, "We cut prices for dowel pins and paper pins as much as 30% last March 10. Our other fastener prices haven't changed for 5 or 6 years, and we don't expect them to go up even if the price of steel increases."



Air Freight Carriers Promise Big Rate Cuts Within a Year

(Continued from page 1)

equipment will allow Tiger to announce new rates "competitive with surface carriers."

• **American Airlines.** American currently is "dickering" with Canada Air for an undisclosed number of CL 44's, in an attempt to up its air cargo traffic 20% this year.

• **United Air Lines.** United, which saw its freight business jump 17% last year, is planning to double its entire volume in 1960 by adding six DC-7's to its present fleet of seven and by modifying its jet DC-8's for greater cargo-carrying capacity.

• **Riddle Airlines.** Vice president Harry Weaver told PW his company is going into "larger equipment this year as a stopgap measure until we can purchase the giant-sized CL 44's and effect a true rate breakthrough to compete with surface carriers."

• **Pan American World Airways.** This air carrier said the new CAB rates on North Atlantic traffic will help it increase its U.S.-European traffic 35% this year. Pan Am said its transpacific traffic will grow 75% in 1960, now that the CAB has adopted a new system of setting rates by weight rather than by commodity.

The airline also is considering buying Boeing 707 swingtail jets and already has started using a new Lockheed automatic loading system that will load and unload 10,000 lb. of freight in 10 minutes (see story, p. 5).

While Flying Tiger officials declined to reveal their upcoming rate schedules, most industry leaders pegged the new cross-country freight tags as ranging from 6¢/lb. to 26¢/lb. on freight to the West Coast, and as low as 5¢/lb. from West to East. These rates are subject to CAB approval.

In addition to the 10 CL 44's now on order from Canada Air, Flying Tiger is getting set to exercise an option to buy five more of the big planes, John Brannigan, manager of Eastern Regional Sales told PW.

"The new planes will carry twice the payload in half the time at half the cost," he said. "In addition, we now are constructing a new, completely automatic terminal in Chicago."

The new \$1.5-million facility, Brannigan stated, will handle 1-million lb./day at a savings of over \$500,000 a year. It will load

72,000 lb. in 39 minutes, "compared with the one-to-two hours now needed to load a 40,000-lb.-capacity Constellation."

Heart of the new terminal is a giant crane that will pick up prepalleted cargo, weigh it automatically, then telescope and "inject" the freight into the belly of the plane.

Brannigan said his company expects to complete the new facility by the end of the year, at which time construction of similar terminals will begin in New York, San Francisco, and Los Angeles.

Both Flying Tiger and American, among others, also have launched an all-out sales program aimed at "educating shippers in using air freight."

While Flying Tiger is campaigning on an "industry-leader" level, American has set up a "Distribution Consultant Service" staffed with trained management consultants.

"These men, skilled in cost accounting and distribution techniques," said an American official, "actually will go in and study a company's cost figures—in complete confidence, of course—and recommend the most economical method of transporting the company's supplies and finished products."

"If it turns out that rail or water is best for an individual company, we tell it so. In other cases, it may turn out the best method is complete shipment by air."

Printed Circuit Motor Prices Tumble 40% At Photocircuits Corp.

Glen Cove, N. Y. — Photocircuits Corp. has slashed prices on its printed circuit motors by 40%.

The new prices range from \$190 for model PM368 to \$240 for model PM488. The motors formerly were priced at \$300 and \$450 respectively.

The cuts were made possible by "a major expansion of production facilities at the company plant here," a company official said. "We've added 10,000 sq. ft. and more new equipment—and now motors are being turned out on an assembly line basis."

He said the company's printed circuit motors are finding increased use in servo applications.

Erie, Lackawanna Moving Toward Merger After ICC Approval of New Linkage

Washington—The first step toward merger of the Erie Railroad company and the Delaware, Lackawanna and Western came this week when ICC examiner Hyman J. Blond recommended approval of the merger. Opponents of the move still have a chance to argue against the merger before the full commission renders a final decision. Speculation is, however, that the commission will accept the examiner's recommendation.

If final approval is granted, the new company will operate as the Erie-Lackawanna with 2,961 miles of road through six Eastern and Central states. Combined assets of the roads is put at \$740-million.

The lines filed merger petitions with the ICC last July.

New System Loads Jets in Less Than 10 Minutes

Miami—Pan American World Airways and Lockheed Aircraft Corp. have unveiled their new freight-handling system which will load and unload giant jet cargo planes in less than 10 minutes.

The new system combines "form-fitting" capsule containers, called "Pan Am Jet PAAks," with ordinary airport cargo trucks on which rails have been mounted to facilitate loading of the containers into the plane.

When the plane lands, the Jet PAAks are rolled to the cargo door along tracks lining the floor of the plane. There, a forklift with a rail-connecting bridge grabs the capsule and slides it onto the cargo truck.

Meanwhile, cargo, mail, and baggage have been loaded and sealed against rain and fire in another set of six Jet PAAks—a full 707 jet cargo load—and held in readiness for the plane's arrival.

Each Jet PAAk is 98 in. across the top, 48-in. high, 42-in. thick, holds 1,500 lb. of cargo, and is "tailored" to fit the hulls of the Boeing 707 Clippers and the larger 707 Intercontinental Clippers for 100% space utilization.

Total weight of each aircraft installation is about 250 lb., while each of the Jet PAAks weighs 160 lb. when empty, making a total added weight of about 1,200 lb. for the entire system.

"But it's worth it," declared a Pan American official. "Investment of as much as \$6½-million in a single aircraft means that each minute of ground waiting time costs us a fantastically high figure.

"Cargo," he continued, "because of variable shapes, sizes,

and weights, takes much time to load on a piece-by-piece basis. The same is true of mail, and baggage. Our early experience proves previous methods to be too slow for practical use on jets."

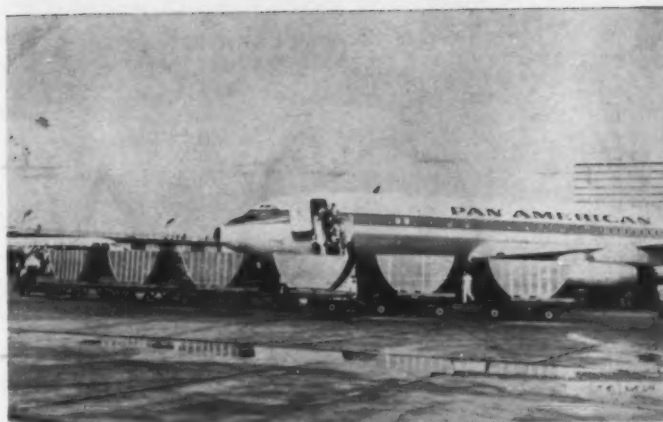
Trial on San Juan Run

Pan Am intends to use the new system on its heavily travelled Miami-San Juan, P. R. route only. Later, as handling techniques are perfected, it will be extended to the New York-San Juan route, and eventually to the

entire Pan Am Latin American jet-trade routes.

Lockheed now is getting set to launch full-scale production of the new Jet PAAk, which will also be sold to other lines for use on Convair 880's and Douglas DC-8's.

In the cases where airlines develop customers who become regular shippers of small items, such as electrical appliances, flowers, and auto parts, Pan Am, at least, will furnish the shippers with their own set of Jet PAAks to fill at the factory.



PRE-PACKAGED air cargo rolls up to Boeing 707 for entry into side cargo door. System is now being tested between Miami and San Juan.

Here's How 2-Strip Sealing Saves Shipping Room Costs



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240 boxes per hour*



GLUING
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STAPLING
101 boxes per hour*

The two-strip sealing method has been made possible by the use of reinforced sealing tape. It has revolutionized carton sealing methods by providing remarkable savings in labor and time. Tests indicate that it is faster than either gluing or stapling. Furthermore, you save two-thirds the time needed for the conventional way of tape-sealing cartons. All carriers have approved the two-strip sealing method using reinforced tape.

Write for further information which will help your shipping room secure these economies. Address our home office in Attleboro, Massachusetts.

*Results of tests by independent laboratory



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Columbia Steel Now Sets For Increased Tube Sales

Carnegie, Pa.—Columbia Steel & Shafting Co. is getting set for a "complete review of the policies" of its tube and steel bar divisions to meet anticipated increases in demand.

George E. Parker, chairman of the board, said Columbia expects production to go up some 50% in the Summerill Tube Div., 67% in the Summerill Stainless Tube Div., and 50% in the Columbia Cold Finished Bar Div. this year.

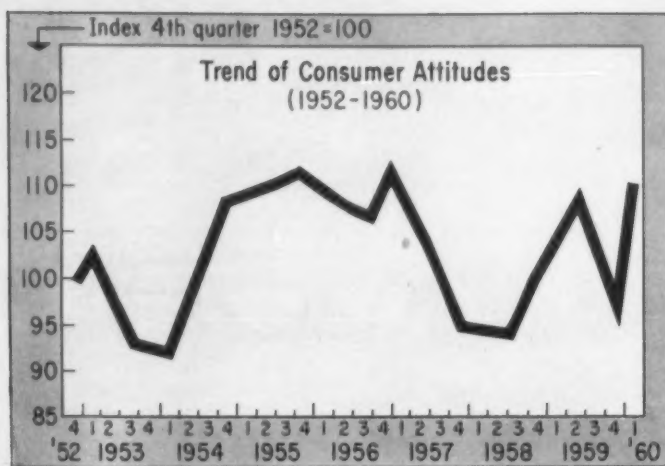
In order to handle these increases, Parker said, the company is preparing "an aggressive internal modernization program," that will include purchase of additional equipment and replacement of other equipment which fails to perform at peak efficiency.

In addition, the company plans to decentralize its current sales and manufacturing operation.

Freight Co. Sold

Akron, Ohio—Summit Fast Freight, Inc., one of Akron's oldest motor freight lines, is being sold for \$1.3-million in cash to Lee Way Motor Freight, Inc., of Oklahoma City, Oklahoma.

The transaction is subject to approval by the Interstate Commerce Commission but ICC has granted Lee Way temporary operating authority, a step which is usually tantamount to final approval.



Purchasing Week

April 4, 1960

Optimism of Consumers Soars To Result: A Strong Buffer Against

(Continued from page 1)
book, "The Powerful Consumer" (McGraw-Hill, 1960):

"Changes in motives, attitudes, and expectations represent scientific data as reliable as changes in incomes, assets, and debts."

In its survey, the Research Center seeks to measure these

changes by examining these three major consumer variables:

- The consumer's financial position.
- His view of the 1960 economic outlook.
- His buying intentions.

CONSUMER'S FINANCIAL POSITION

The consumer's plans are, of course, tied in to his financial position. The Michigan survey showed this position—on entering 1960—to be the best ever attained.

• First of all, 22½% of U.S. spending units—a unit consists of all members of a household who pool their earnings—were making more than \$7,500 a year. This is the highest proportion ever recorded for this income bracket.

This figure assumed added significance when we consider that the higher income groups are the biggest buyers of consumer durables.

• Liquidity is another all-important aspect of the consumer's financial position. Here again the nation's spending groups entered 1960 on the crest of a new high. The Michigan survey shows that some 25% of the spending units are liquid to the extent of \$2,000 or more.

Earnings and liquidity are important as objective data. No less important are the subjective data—how the consumer feels about his financial position.

According to the survey, 34% of the respondents felt they were better off than a year ago, while 39% thought they had stayed the same. This set of figures compares with 35% and 41% for early 1959.

In evaluating this response it must be remembered that in 1959 consumers were relating their then current situation to the 1958 recession period.

How do consumers expect to fare over the coming year? Their answers indicate they anticipate 1960 will be a year of remarkable income fluctuation.

Forty per cent expect to be better off financially a year hence—the largest such percentage recorded in several years. Another 40% feel that they'll maintain their current earnings—and that's the smallest "stable" proportion reported by the survey; since 1955 the "stable" group hasn't fallen below the 45% mark.

ECONOMIC EXPECTATIONS

The consumer's evaluation of his future earnings—and spending power—has much to do with how he thinks business will shape up. The Michigan survey asked him what he thought business conditions would be in the next

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- Less weight, easier to handle. Powertubes weigh half as much as other shapes, no "heavy" fixtures needed.
- Slimmer size. T-12 1½" tube diameter means better air circulation around tube than larger diameter lamps.
- Uniform light distribution. Sylvania VHO Powertubes deliver full light output in any position.

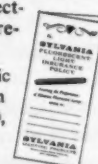
• Better optical control. You get full use of light because it can be directed exactly where you want.

• Lowest TCL—total cost of lighting—means lowest cost of lamp plus power plus maintenance.

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12 months, and how he expected the prices of his purchases to go over the year.

● **Business outlook.** The most striking optimism of the past six years was registered in this area. Seventy-five per cent of those surveyed expected "good times" ahead; only 7% thought business conditions would be bad (see chart at right).

● **Prices.** Prospects of inflation are obviously troubling the consumer. More people—72% (see chart at right)—expect prices to rise in 1960 than at any time since the Korean War.

And even those whose incomes go up with prices see inflation as reducing buying power.

BUYING INTENTIONS

The buying plans of consumers have improved considerably since the latter part of 1959. But they are inextricably involved with consumer resistance to high prices. The following examples illustrate this point:

● **Automobiles.** About 20% more consumers say they intend to buy new cars than was reported by consumers a year ago. But the boost comes from the low-priced compact automobiles—with the result that average planned expenditure has gone down.

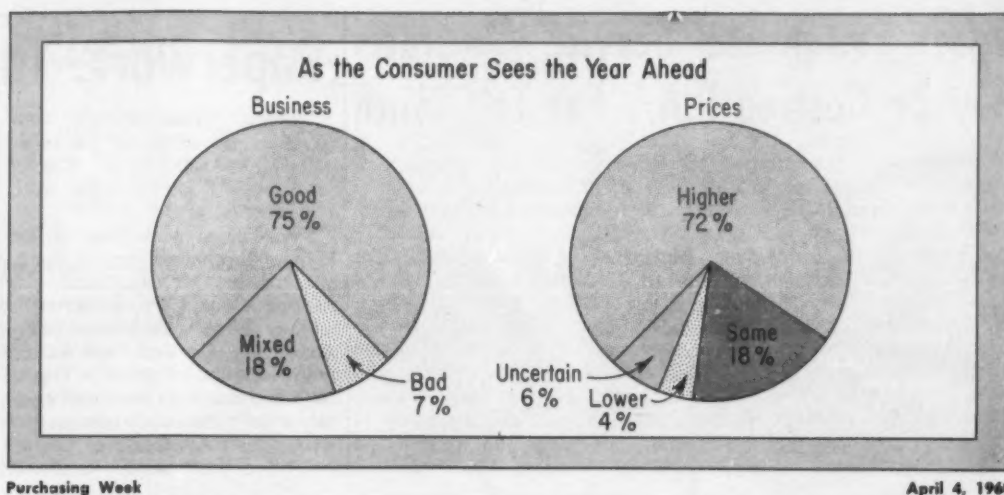
● **Houses.** Plans to buy houses have recovered over the last few months, and this can be attributed, to some extent, to the recent signs of ease in the money market. House buying intentions declined in the spring and summer of 1959, when tight money brought about an increase in interest rates.

● **Household equipment.** Finally, consumer intentions for purchase of household equipment are, for most items, higher now than year-ago plans. In discussing these buying plans, the survey points out that many were "impressed by price stability in household appliances."

The implication of all this is clear. Consumers are able and willing to spend more—but not on products they feel carry inflated tags.

This is best borne out by the shift (noted above) in consumer attitudes toward automobile buying. The sharp increase in prospective car purchases over the past year can be attributed, according to the Research Center, to the "availability of compact cars (which) has reduced misgivings about high prices on the part of many automobile buyers."

In summarizing its findings, the Survey Research Center concludes that consumer attitudes, although they have not reached the heights of the 1955-56 period, indicate "a favorable business years . . . for producers and sellers of automobiles and other durable goods."



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Office Equipment Service Contracts May Be Costing P.A.'s Far Too Much

Washington—Office equipment service contracts may be costing P.A.'s many thousands of dollars needlessly, according to a leading office buyer.

Speaking at a meeting of the Office Buyers' Group of the NAPA here March 21-22, Harold Ward, purchasing agent at International Nickel Co., said his firm has saved some \$12,000 a year since it canceled its office equipment service contract and began handling service needs on a spot basis.

Ward said Inco now keeps individual records for each of its office machines and knows exactly what each one costs in annual repairs. He said these repairs have averaged between \$4 and \$5 a year.

"Service contracts would run \$15 per machine, or more," Ward stated. He urged the entire group to begin investigating the advantages—and disadvantages—of their own company service contracts.

Members attending the two-day meeting heard over a dozen speakers discuss how and what to buy for the office.

Donald Sommer, secretary of the Master Printers Section of Printing Industry of America, Inc., urged office buyers not to purchase business forms simply on the basis of the type of printing processes that might seem to be best-suited.

"Contact the printer and discuss with him the prices and advantages of different ways of printing the forms," Sommer pointed out. "Also, know the

NAPA May Step Up Pace Of Political Action President English Says

Grand Rapids, Mich.—The NAPA may soon have 18,000 voices to raise in the political arena "in case of danger signals," according to National President Thomas O. English.

Speaking at a joint meeting of the Grand Rapids and West Michigan Purchasing Agents Assn., English said this hinges on approval of the Executive Committee's new resolution on political participation.

Urging buyers to be as active in politics as possible, the NAPA president said:

"If we get the right kind of citizens in precinct and community politics, we will have the right people in more important political jobs. The lack of interest and participation in politics is a serious problem."

Pittsburgh Assn Draws 600 to 'Executive Night'

Pittsburgh—More than 600 purchasing men and management officials turned out for the Pittsburgh Purchasing Agents Association's annual executive night, March 16.

Dr. Charles C. Price, president of United World Federalists, discussed "The Challenge of the Nuclear Age." He urged all to give their best efforts and support to measures for strengthening the United Nations.

adequacy of the printer involved," he added.

Many printers, he said, operate very small plants, and "it's necessary to know what kind of work their shops are capable of doing."

Sommer said materials account for 37% to 40% of all printing costs. "The area for purchasing agents to save money when they buy business forms is on paper finish and weight," he said.

Paperwork: 'Throw Out What You Don't Need'

Toledo, Ohio—P.A.'s who hoard paper came in for some criticism recently by C. Warner McVicar, 6th District vice president of NAPA.

Speaking at a meeting of the Toledo Purchasing Agents Assn. last month, McVicar said, "It costs about \$1,400 to create a file cabinet full of purchasing information, so why keep unsolicited and unneeded material? Throw out what you don't need and keep only what's absolutely necessary."

The NAPA official explained that his department at Rockwell

Mfg. Co., Pittsburgh, only makes two carbons of purchase orders and other forms, and sometimes only keeps one for file purposes.

"I'm not worried about accounting or other departments," McVicar said. "My chief concern is what's best for purchasing and that is what determines procedures."

He also told the group that too many purchasing agents have forgotten how to listen to salesmen.

"They too often only pretend to listen to their suppliers' representatives," he said, "instead of

evaluating and discriminating while the salesmen are talking." He said many problems could be solved "with a careful ear."

McVicar stressed the value of good human relations and said a common purchasing mistake is to assume that people are not as important as products—despite the fact that good relationships with suppliers are an absolute necessity.

"The purchasing agent must remember," he warned, "that courtesy is not weakness, and anger is not strength."

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Using Soft Sell to Boost Association Rolls

Chattanooga—"We have come to the conclusion that our traditional method of recruiting new members just hasn't been working very well."

That's how B. P. Pedersen, public relations chairman of the Chattanooga Purchasing Agents Association, summed up his feeling about old-line recruiting methods involving appeals by letter to prospective members and to management of their companies.

"Now we have a different plan," Pedersen told PURCHASING WEEK. "Our new strategy is that we members will talk to the salesmen in our own companies, asking them about the purchasing agents on whom they call."

Pedersen, who is purchasing agent at Mengel Co., here, explained: "In my case, I ask the salesman to arrange a lunch with the prospective member. This gives me a chance to meet and talk with him informally, with

little, if any, mention of our association.

"Then at some later time, I'll call and ask him if he would like to come to the next meeting as our guest," Pedersen added.

The Chattanooga P.A. said other members of his association are using the same approach, with considerable success. "In addition to helping the association, it's giving our companies a means of getting better acquainted with their customers."

While the plan has been in effect less than three months,

Pedersen says results are already beginning to show, and he expressed "confidence that by fall, our new strategy will have brought in at least 12 new members."

HONORED AS ARBITRATOR: Joseph E. Corker, left, group purchase manager at General Tire & Rubber Co., N. Y., wins his own gavel from Judge Charles D. Brietel, as mark of having served at least 15 times as an arbitrator for the American Arbitration Association.



Fir Plywood Box Adds New Look To Household Moving

Seattle—Purchasing agents are taking a "good look" at a new shipping container—with built-in pallet—which has already given the household moving field a new look.

The new "Thru-Pak" container, now being produced at Seattle Box Co.'s plants here and in Tacoma, has a palletized bottom and plywood walls framed in lumber. Plywood thicknesses vary from 1/4 in. to 5/8 in., depending on the contents.

The base is of a special design, with a flange around the perimeter to allow the sides to rest on the thick lumber frame instead of being flush with the base-surface. The framing, secured on all sides with steel straps, adds greater rigidity and tighter fit to the containers, which Seattle Box officials are hoping will provide an answer for breakage problems.

"This new fir plywood container," commented one Seattle Box official, "is rapidly becoming a major factor in better, faster, and safer moving now offered by a number of large companies in the long-distance, household-goods shipping field."

"Because of its construction," he continued, "Thru-Pak has facilitated through shipments because the goods remain in the same box all the way with no intermediate unpacking or handling. It is particularly valuable in overseas shipments."

One satisfied user is Smyth Van & Storage Co., Inc., which works with Pacific Terminals, Inc., freight forwarders. Smyth officials say Thru-Pak "makes greatly improved service possible in two most critical areas: one, extent of damage and frequency of claims, and, two, time between pickup and delivery."

Biggest advantage of the new containers, said Smyth, is the ease with which they can be handled. Thru-Paks can be picked up with forklifts and stacked with no danger of crushing. In addition, they are moisture-proof and rodent-proof, he said.



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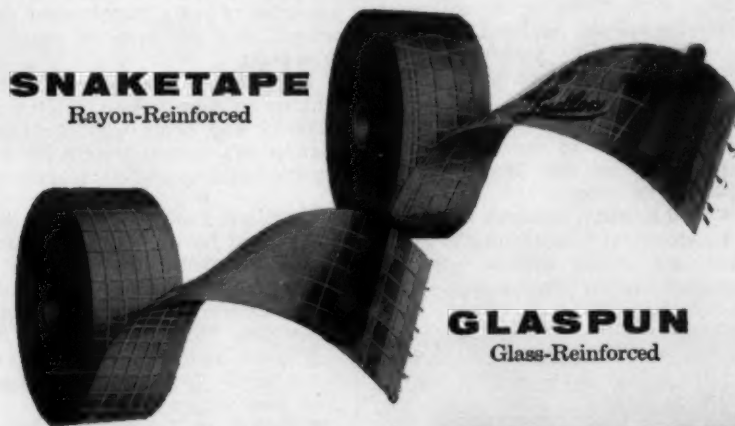
If you are now using 6 strips of plain paper tape, the Ludlow Method offers you:

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- Neater appearance and water resistance.

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P/W MANAGEMENT MEMOS

A collection of timely tips, quotations, and inside slants on management and industrial developments, along with a run-down of events and trends of use to the purchasing agent.

Playing the Job Market

P.A.'s with springtime job wanderlust can take heart: The job market today for Purchasing Agents is good to excellent. There's a good deal of job-switching activity, especially in the \$8,000 to \$10,000 range. And, according to metropolitan placement people, there is fair to good demand for men on the purchasing director level.

Job leads aren't hard to find. For instance, the NAPA national office keeps résumés on file for members seeking new positions. Many large firms come to them for top-paying purchasing positions, but NAPA does not hunt jobs for applicants. However, many local associations have active placement committees that can give you a hand.

Don't neglect sources like college alumni placement offices, the want-ads of the larger metropolitan newspapers, and your own vendors. Useful information source: "Career" handbook, available free from Career Publications, 15 W. 45th St., New York 36, N. Y.

No Rainy Days, No Savings

Are Americans saving smaller portions of their incomes?

According to the latest government figures, we as a nation have been saving less as our income has gone up. Since 1956 personal income has increased by about \$46 billion. But the rate of saving over this period has declined steadily from 6.9% to 6.1% of personal income. There hasn't been anything like the present savings trend for at least 20 years.

What does it mean? Economic theory says that at different

levels of national income, the country's savings rate tends to stay the same. People tend to save about the same portion of their incomes, year after year. But as income goes up, people tend to save more of each extra dollar. That's the theory.

But in practice, our incomes have been getting bigger—yet we are saving proportionately less than before. We just don't see the need to save as much as we used to do. Perhaps pension plans, health insurance and unemployment compensation have taken the pressure off nest-egging.

If we have less of a save-for-a-rainy-day philosophy, perhaps we'll be less inclined to cut back spending when times get bad. Result? Recessions less severe than before, more prolonged periods of prosperity.

Inventory Management Made Easy

Another useful government publication that's good to have around: Scientific Inventory Management Simplified. It's a helpful book on EOQ and EPQ (see story on Inventory Management pp. 20-21), with complete how-to details on the two systems. Cost? Only 45¢. It's a General Services Administration-Federal Supply System publication, stock no. 7610-543-6765, and is available from the Supt. of Documents, Government Printing Office, Washington 25, D.C.

Short Pointer

Comment on foreign competition: A design-engineer tells this unauthentic story: While the U. S. and Russia argue who invented the new transistorized grommet, an aide interrupts their debate to announce that while the two were wrangling, the Japanese had already started production and shipments were on the way to West Germany.

PURCHASING PARADE

The average fellow thinks of Canada as a Johnny-come-lately in the oil business, but here's a P.A. who's been in it for 30 years—S. B. Banister, of Royalite Oil Co. Ltd., Calgary. His company just gave him a diamond-studded service button for "contributing to the growth of the Western Canada oil industry."

Meanwhile down in the oldline oil area—Texas—the mighty Dallas Athletic Club (2,500 members) favors P.A.'s for its board of directors and Trustees:

• R. G. Williams, Texaco buyer and former president of the Dallas Assn., was trustee for two years until he moved to Houston.

• Fred Bradley, Southern Union Gas P.A., secretary-treasurer of the Dallas Assn. and former district vice-president, is a director of the club.



BLOWOUT: 10 birthday candles—one for each decade of his life—are snuffed out by William M. Kreider who's been with Erie Mfg. & Supply (Erie, Pa.) 70 years as P.A. and treasurer. Yes, he comes to work every day.

• J. A. Collins, Sun Oil Coordinator of Purchases (production division) has just been elected a director.

There's no use trying to butter up Kenneth A. Schmitz, vice-president elect of NAPA District No. 1 and P.A. of the E. J. Bartells Co. Reason: He knows all about butter. He followed the trade of buttermaker in Iowa for a number of years, later became an arc welder, then got into the purchasing profession.

Schmitz, 46, was president of the Purchasing Agents Assn. of Oregon in 1958-59 and twice won the Oregon association's annual trophy for membership building and attendance.

Here are a couple of newsmakers who should have the physical stamina to cope with their chores:

• Joseph W. Kimmel, new Purchasing Manager for the Downingtown Paper Co., Philadelphia, was a Navy skin diver (he currently keeps up with the water by romping in a swimming pool and painting seascapes).

• Robert D. Crane, new Director of Purchases for Dresser Industries, Dallas, played semi-pro hockey with the Milltown Zephyrs, now gets his exercise regularly on the tennis court.

Does your conscience bother you when you miss a purchasing association get-together? Try this:

When Charles Douglass, P.A. for United Radio Supply (Portland, Ore.), found that a prior commitment would keep him from a PAAO dinner, he set up a tape recorder, left for his other engagement, later heard the recorded speech of Dr. Orlo Brees, West Coast representative of the Natl. Assn. of Manufacturers, at his leisure.

Personal glimpses of P.A.'s as they march by in the news

Right about now James La Bay, new Director of Purchases for A P Parts (Toledo), is shining up his boat for his own private Opening of the Lakes.

He lives in a section known as The Point, can round up his three sons and be on the water 20 minutes after leaving his front door. (Incidentally, before taking over his new job, he was A P Parts' Director of Personnel.)

When John J. Colpitts, new Asst. Manager of Purchases in the Salada-Junket Division of Salada-Shirriff-Horsey (Woburn, Mass.) wants to relax, he can do it in the grand manner.

Recently he completed a five-room home (much of which he designed himself) overlooking the ocean in a secluded section of Eastham on Cape Cod. Together with his wife and three sons, he spends all summer there plus every spare winter weekend.



COOKOUT: Sterling Barnett, New Purchasing Director for the City of Houston, is an acknowledged master of beef ribs, pork, and cabrito. Here he's getting set to dish out his open-air specialties.

Purchasing Week



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If all other factors are equal, do you prefer dealing with a large or a small supplier?



R. R. Martin, manager of the purchasing department, Virginia-Carolina Chemical Corp., Richmond:

"The question implies certain advantages may be available because of the size of the vendor involved. The large concern may offer a wider range of technical information, superior engineering service, sounder financial structure, and even branches in convenient locations to service. At the same time, the small organization may furnish more real personal concern for our problem and operate with less overhead and greater efficiency. In the final analysis, it is not a preference for the large or the small vendor; it is a matter of which vendor can serve us to the best advantage."



C. S. Estabrook, Jr., manager of purchasing, Lamson Corp. (materials handling equipment), Syracuse, N. Y.:

"All things being equal we—and when I say we I am talking of myself and my buyers—prefer doing business with smaller organizations. For one thing, I think they are more flexible. We are a company that continually gives short lead time and we have found the smaller companies are more adaptable. There is a closer relationship with a smaller organization and particularly between two smaller organizations—relatively speaking, we would be classified as a smaller company."



L. B. Fisher, director of purchases, Continental Coffee Co., Chicago:

"We do business with both small and large suppliers. Our past experiences and present relationships clearly indicate that both types are necessary and that they both make vital contributions to our over-all economy. Obviously, therefore, I would have no preference nor can I establish any justification for preferring one over the other when 'everything is equal.'"



R. F. Kindervater, associate director of purchases, staff purchasing offices, Thompson Ramo Woolridge, Inc., Cleveland:

"I would say we would deal extensively with both. Our selection of a supplier depends on considerations such as financial soundness, capability, quality, price, and delivery. By itself the supplier's size is not a factor. In each instance we attempt to select a supplier or suppliers who are best qualified to fulfill our requirements. Selection of a source is not a matter of preference for dealing with either a large or small supplier. It is a matter of selection based on factors that result in value received for the money we spend."



E. C. Reid, senior buyer, Metal Products Div., Koppers Co., Inc., Baltimore:

"In looking at a supplier we are interested in the quality, service, and price he has to offer. Generally speaking, we do this without regard to company size. However, there are times when the larger supplier will have an advantage due to his research facilities that are available to us and the broad technical knowledge of a particular product. In cases where this is a factor, we prefer to deal with a large company. But on stock items, we generally deal with a small supplier because we prefer to place our business in the area in which we are located."



Donald Evory, purchasing agent, Burke Steel Co., Rochester, N. Y.:

"If all of the factors that are important from a purchasing and materials management viewpoint are equal, the size of the supplier is irrelevant. Generalities can be made about the advantages and disadvantages inherent in relation to size but the ability and reliability of a progressive supplier to furnish quality, service, and competitive value in his product stand as the criteria for the selection of a supplier and not size."

Follow-Up: Letters and Comments

Looking for Ideal Boss

Hadden Heights, N. J.

I read with interest your article, "Finding An Ideal Secretary Isn't An Easy Job, But It Is Possible" (PW, March 21, '60, p. 14) and have just one question for you. Where does a secretary find that kind of "boss?" I have been looking for one lately and cannot seem to locate him.

Now I know you might think this is a bit of Blarney but 'tis true. I thoroughly enjoy reading your paper and look forward to my husband bringing it home.

Martha Pywell

The 40 Plus Class

Hard to Swallow

New York, N. Y.

As an ex-engineer now in purchasing, I found the comments by Alfred B. Sabin on the engineering-purchasing relationship very interesting (PW, March 14, '60, "What Annoys You Most About Engineers?" p. 9).

However, I find Mr. Sabin's worst ex-

ample of the steam equipment plant buying against war time specifications awfully hard to swallow. What kind of vendor relationship had the purchasing agent developed if none of his vendors would point out that he was buying high cost material against obsolete specifications?

A. D. Kattelle

Assistant General Purchasing Agent
American Brake Shoe Co.

Purchasing Calculator

Springfield, Mo.

In your Feb. 15 issue, page 7, you mention a Van D. Mark Purchasing Calculator ("Your Buy—Ahead Planning"). Would you please advise us of the manufacture's name and address.

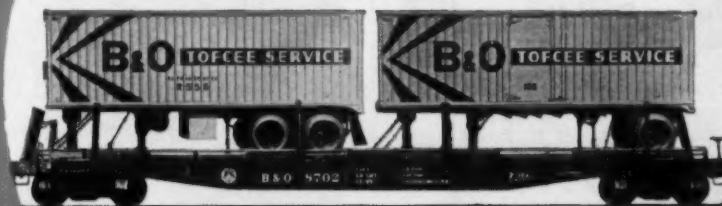
C. R. Strickland

Buyer
Royal McBee Corp.

• Van D. Mark, Production and Inventory Controls, P. O. Box 44, St. Clair, Mich.



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Foreign News In Brief

Expansion at Broken Hill

Broken Hill, Australia—One of the world's largest lead refiners, Broken Hill Associated Smelters, is getting set to become a major zinc producer as well.

The company has announced it will spend \$7½-million for a "new type of blast furnace" to treat the giant slag dump at Port Pirie for the recovery of its zinc content. The furnace and ancillary plant, together with a proposed coke works, will go on stream in late 1963.

New British Rubber Plant

London—Witco Chemical Co., British subsidiary of Witco Chemical Co., Inc., New York City, will set up a new plant in the English Midlands to produce synthetic rubber lattices.

Company officials declined to reveal the cost of the project, but said the new plant will have an initial capacity of 8-million lb. a year and will turn out a complete line of butadiene-styrene, high styrene, nitrile, and other acrylic types of lattices. The factory is slated to begin production in 1961.

Back Door Exports

Sao Paulo, Brazil—Volkswagen do Brasil will ship 300 Brazilian-made trucks to the U. S. next month.

The shipment will mark the first time motor vehicles manufactured in Latin America have been exported to the U. S., according to Volkswagen officials. The trucks will sell for the same price as their German counterparts and will differ from them only in color.

Iranian Steel Mill

Zazna, Iran—Iran's Plan Organization is speeding up negotiations with British and West German steel interests to launch a long-delayed project to build this country's first integrated steel works.

Agreement is expected to be reached within the next few weeks between the state-owned Iran Steel Mill Corp., British Metallurgical Equipment Export Co., and a West German consortium headed by Krupp and Demag. The 200,000 ton/year mill is expected to cost in the neighborhood of \$90-million.

Northwest Port Group Begins New Activities In Representing Ore, Wash.

Portland, Ore.—Representatives of deepwater ports in the Northwest have formed a special committee to voice the interests of this area's ports before the new Transcontinental Railroad Agency.

The new Committee, Columbia River Coastal-Overland Freight Committee, will represent all Oregon and Washington coastal ports and deepwater ports along the Columbia River.

The Transcontinental Railroad Agency was created to handle traffic problems in cross-country movement of import-export freight.

Kaiser Begins Indian Project

Uttar Pradesh, India—Construction got under way here last week on what was termed a "major aluminum producing facility" sponsored jointly by Kaiser Aluminum International and the Birla interests of India.

The new facility, officially called the Hindustan Aluminum Corp., is being built close to a new 55,000 kw. hydroelectric power project. Both the dam and the plant are scheduled for completion in 1962. Annual plant capacity will be 20,000 tons.

Amsterdam—Europe's top electrical products maker, Philips Electric Co., has launched an expansion and diversification program aimed at "keeping up with our United States competition."

Topmost on the list, Philips officials disclosed, are three major projects:

• **Lamp factory.** The company has begun construction of a "large, fully automated plant" for the manufacture of incandescent lamps in Weert, east of Eind-

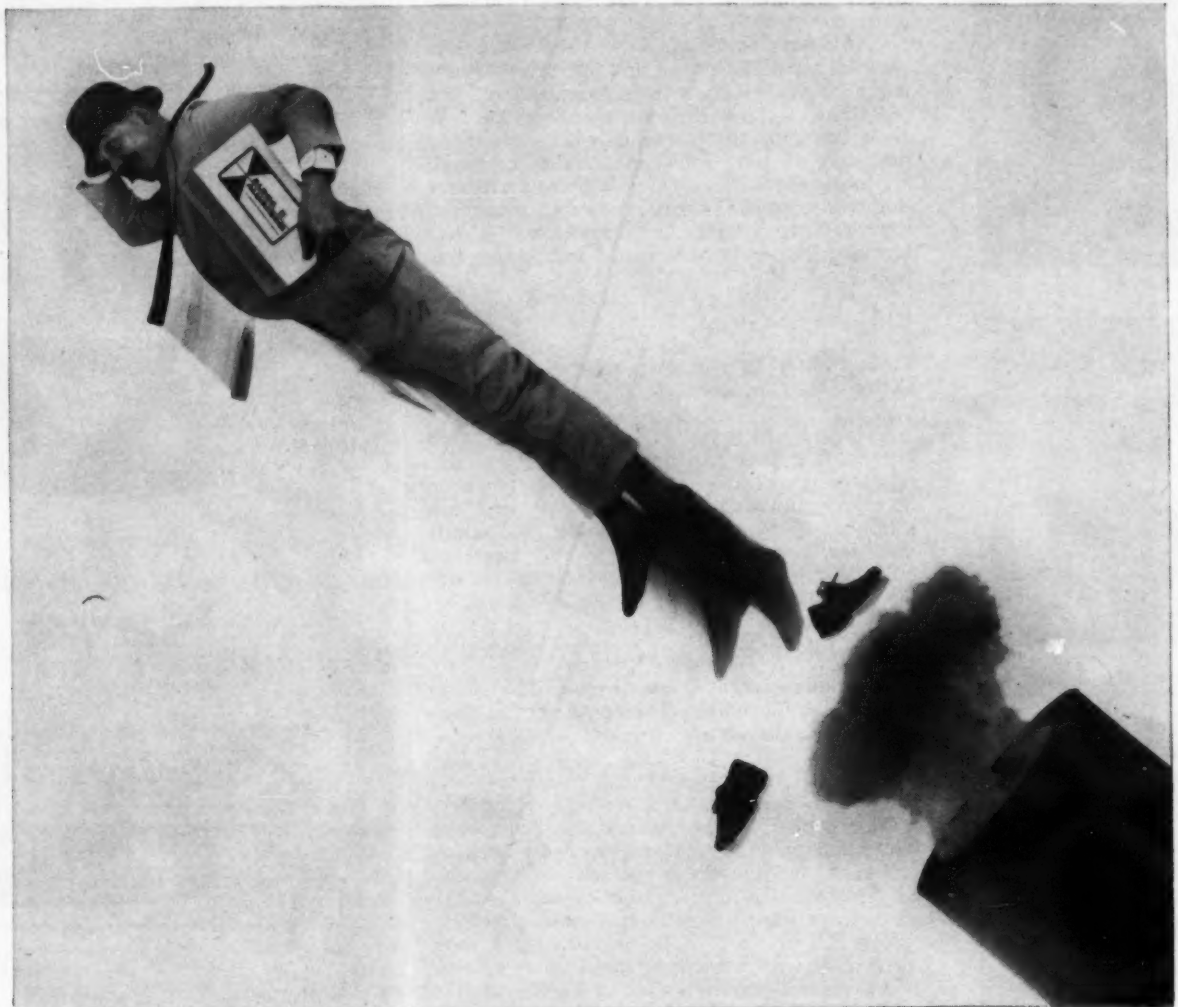
hoven, site of company headquarters.

• **Jet plane manufacturing.** Philips has received a \$50-million contract to produce Lockheed Aircraft Corp. Jet Starfighters. Initially, the contract will call only for assembly of parts imported from America. At a later date, however, the Dutch firm will manufacture the entire plane.

• **Increased American sales.** General Motors Corp. has been

licensed to manufacture Philips sterling cycle engines, which are still in the development stage. Philips officials believe the new engine, an external combustion unit, eventually will be converted to solar energy and may be used for American space satellites.

Target of these multimillion-dollar projects is to boost Philips stock in the U.S. As the name becomes better known in America, an official said, "we'll be able to compete with American firms for a bigger share of the purchasing agent's dollar."



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Foreign Perspective

APRIL 4-10

London—Latest readings of the British import-export price index confirm that raw materials on the world market will cost more—but only a little more—this year.

Despite wide price swings of individual commodities, British import and export prices as a whole have been moving upward at approximately the same rate over recent months—"a rise that has remained unchecked since 1958," the U.K. Board of Trade points out.

Wool and rubber, says the BOT, accounted for a major part of the climb in 1959. Rubber prices are likely to continue their upward spiral now that Russia has announced her intentions to buy 3,000 tons off the British stockpile.

Lead and zinc prices also are continuing their rise despite government stockpile disposal plans. Buyers here warn that "rising world consumption will keep these prices steady in the face of a tricky supply situation." While copper has been holding up at levels appreciably higher than New York levels, most industry officials look for a sharp downward reaction "within a few weeks."

French West Africa—Thanks to a \$66-million World Bank loan, a consortium of French, British, Italian, and German steel interests are about to tap one of the world's richest iron ore deposits here in Mauritania. Experts fix the region's open pit reserves at 115-million tons of high-grade ores, similar in quality to those of Sweden and South America. When completed, the \$190-million project is slated to turn out 6-million tons annually.

Bonn—Now Volkswagen wants a share of the "big car" market. The German car-maker is preparing to begin producing a bigger, more comfortable, and more expensive "Big Brother" model of the tiny Volkswagen sometime in 1961.

"Big Brother will not replace, but supplement the present Volkswagen model, which will remain in production for years to come," says a top Volkswagen official.

Some basic characteristics of the present small car will be incorporated into the large auto, including an air-cooled rear engine, front luggage compartment, and the same chassis. But its styling will be a blend of the American compact, the old Volkswagen, and the French Citroen.

First display of the new car will be at the International Auto Fair in Frankfurt, Sept. 1961. It will sell for between \$1,400 and \$1,800 f.o.b. Germany.

Grangemouth, Scotland—Ambitious officials of British Hydrocarbon Chemicals Ltd., have announced plans to expand its petrochemical complex here. Three

major plants for butadiene, methanol, and ethylene dichloride will be built at a total cost of \$14-million.

Scheduled for completion in 1961, the butadiene facility will double the company's current output, while the ethylene unit will complement a similar 70,000-ton capacity plant now being constructed.

Tokyo—The Imperial Government hopes it has forestalled the drive in the U.S. to erect tariff barriers against Japanese transistor radios.

Final approval came last week on a new checkprice, imposed by the Ministry of International Trade & Industry, that set an \$11 minimum price on all transistor radio exports. The move came on top of U.S. electronics industry complaints that Japanese manufacturers had been ignoring the old \$14 check-price and selling radios to the U.S. at prices as low as \$8/unit.

While Japanese radio manufacturers have all agreed to abide by the new checkprice, the problem of how to control the number of sets shipped to the U.S. still remains. MITI wants to set up an export quota, but so far the Japanese industry remains ice-cold to this proposal.

Montreal—Two Canadian railroads are going to try out a new aluminum hopper car designed to carry 10 tons more payload than existing Canadian National Railways hopper cars.

Both the CNR and the Roberval and Saguenay Railways will begin immediate testing of the new tank car, which was built by Alcan. The car uses a curved side as column and girder, thus eliminating side posts, crossbearers, and the part of the center between the bolsters.

Absence of the center sill section allows for eight discharge gates to be located centrally along the length of the car, and produces a smooth interior.

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An Industrial Designer Sizes Up What Man

PURCHASING WEEK's Chicago News Bureau Chief Stewart Ramsey recently had a talk with the man who is demonstrating the various packages in the photos on these pages—industrial designer Richard S. Latham. Although Latham is poking a bit of fun at some familiar managerial types in the photos, he has a serious message to tell, also. It involves the purchasing agent. And Latham is qualified to speak on the relationship between the P.A. and the industrial designer. For he's had heavy experience with procurement problems while doing design work for such firms as Arvin Industries, Ekco Products, and General Electric. Here is the Chicago News Bureau report:

You as a purchasing agent may be the man who makes or breaks a new industrial design. That's because you're buying the parts and materials that go into a new product. Whether you take a "nuts and bolts" approach or a more long-range view can have a great influence on the ultimate success of a new product.

That's how industrial designer Richard S. Latham regards the role you play in industrial design.

"Too often," says Latham, "the purchasing agent's inclination is to go toward the standard, rather than the something extra that is desirable." He points out that certain intangible effects that the designer may intend to build into a product can often be lost without proper coordination between design and procurement.

BUYING INK

One instance he cites is the purchase of printing ink. "A P.A. may substitute a less costly ink for one that's specified, with the result that we wind up with a different shade or a different color entirely." That, says Latham, can undo the good work of the designer and ruin the desired effect.

Here's another example Latham cites: In designing a machine that had a handle, the designer specified the handle would have a warm brown color plastic insert in a die-cast frame. The P.A. and the engineering director looked over the specs, then decided they saw a chance to reduce costs.

They thought they'd get the same effect by making the entire handle die cast and just painting the handle with a warm brown color over the part that was to have been plastic. "We told them yes, the handle looks just the same, but it has a cold, hard feeling. And it did. The purpose of the plastic was to provide a warm material to the grip. But that feeling was lost."

FOUR DIFFERENT DESIGNS

According to Latham, that kind of problem can become even more of a barrier to good design in a medium to large company. Thus, if a company has four plants around the country and four different purchasing men interpreting the design in their own way, there might be four different variations of the original design.

One possible solution to that problem, Latham says, is for you as a P.A. to "take a missionary approach" with your suppliers when a new product gets on the rails. "The supplier," Latham says, "has to be given encouragement, and helped in sweating out all the difficulties in trying and failing, to come up with the special blue, rather than the standard blue, in order to get the right effect."

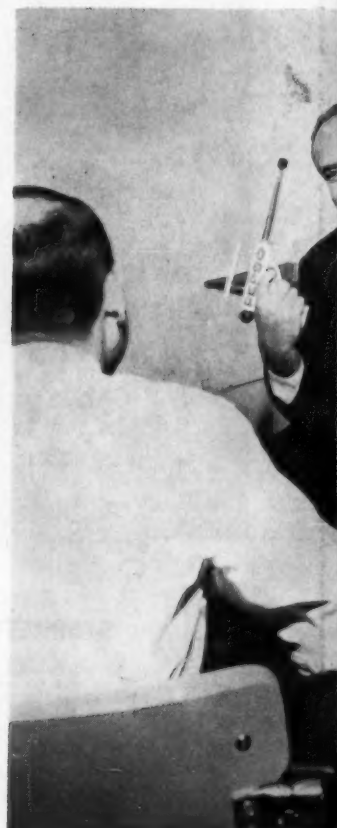
The ultimate concern for such a product, is, of course, the reception that consumers give it. Latham concludes, "It can be fatal when a product is 'factory-oriented,' rather than designed with the customer in view." A highly publicized new car, that made the factory happy, made customers indifferent, he adds, and it flopped.

Designer Latham Shows How NOT to Do It →

Here, in this series of photos, Richard Latham shows what a screwy, lopsided look products would have if their packages were made to suit the managers who have an influence on design. This hypothetical example was dreamed up by Latham and his colleague Jay Doblin, of Illinois Tech. Here's how the two men regard . . .

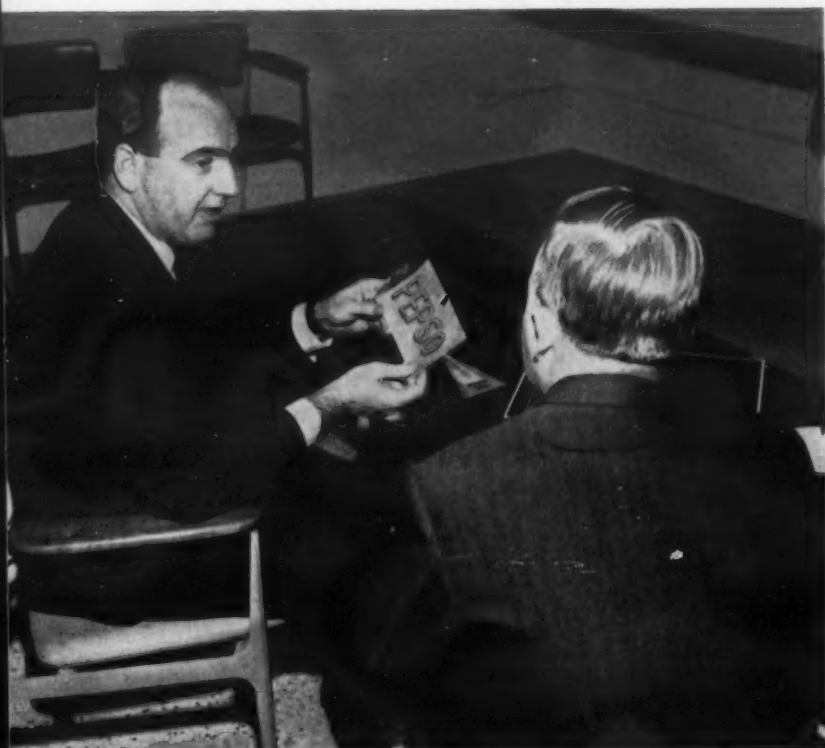


. . . THE PRODUCTION MANAGER'S Obsession: He likes a large tube for "Pepso," because he's charted the cost of filling time and cost of tube size. Where two lines meet (chart behind him), that's where he decides what size tube will suit him best.



. . . THE PROMOTION session: He has his heart v So he wants "Pepso" package gun shape to appeal to the va market. Causes industrial de

gement—You Included—Can Do to a Product



... THE P.A.'S Obsession: He wants cheap paper, pressed flat so it can be stored and shipped easily. P.A. also wants inexpensive ink and a total package that requires no special technical know-how. P.A.'s drive for economy can interfere with a design turned out by the industrial designer.



... THE SALES MANAGER'S Obsession: He wants the package plenty bulky so that it will take up its full share of space on the supermarket shelf, attract shoppers' attention. An elongated neck provides the "Pepso" tube with length needed to justify a huge package for the product.



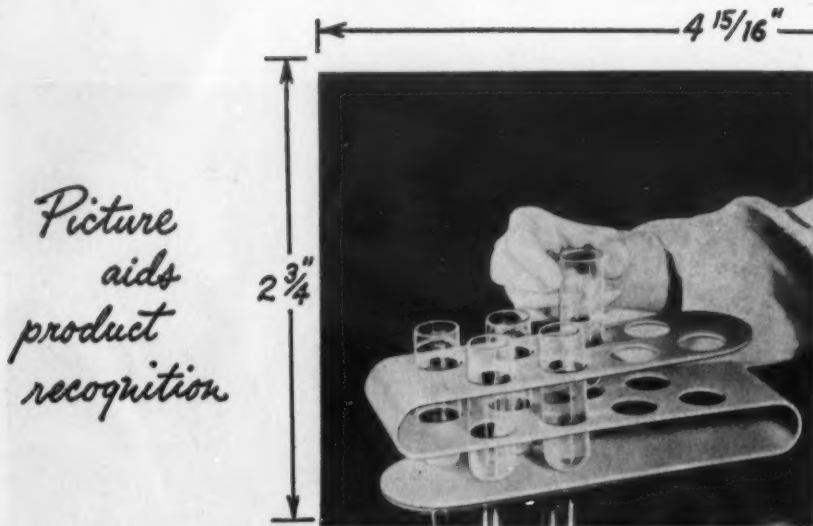
MANAGER'S Ob-
e the kiddies live.
an attractive, ray-
and active children's
ers a bit of grief.



... THE ADVERTISING MANAGER'S Ob-
session: He likes razzle-dazzle packaging with plenty of zip . . . but, unfortunately, not much relevance. That's why he'll go for a sexy, bikini-clad cutie on the package, and plenty of 'secret ingredient'.



IN SPITE OF ALL, says designer Latham, the skills possessed by the Purchasing Agent, and the other men involved, usually combine to make a happy (and workable) compromise that makes for good design of a company's product.



Test-Tube Rack

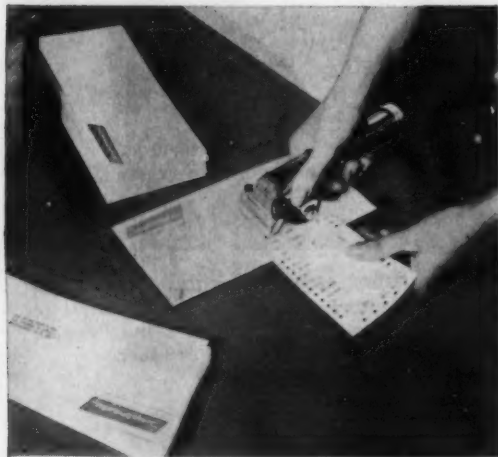
Holds 8 Tubes

All-aluminum rack has 8 holes 1 in. in dia. It has no welded or soldered edges and resists all common laboratory corrosives. Recommended for holding standard absorption cells, rack size is: 9-in. long, 2 3/4-in. wide, 2 3/8-in. high.

Price: \$1.80. Delivery: immediate.

Fisher Scientific Co., 389 Fisher Building, Pittsburgh 19, Pa. (PW, 4/4/60)

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How much it costs and how soon you can get it
You'll know when item appeared



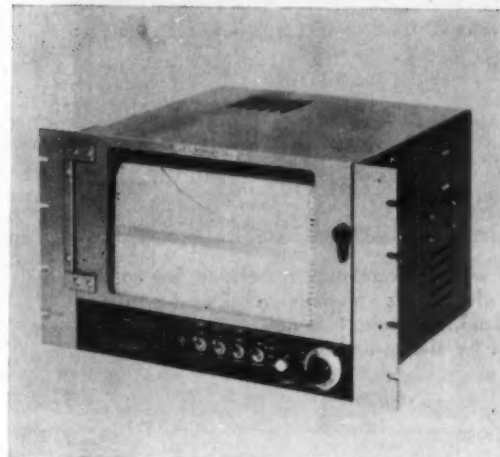
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Uses Spirit Process

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Scriptomatic, Inc., 11th and Vine Streets, Philadelphia 7, Pa. (PW, 4/4/60)



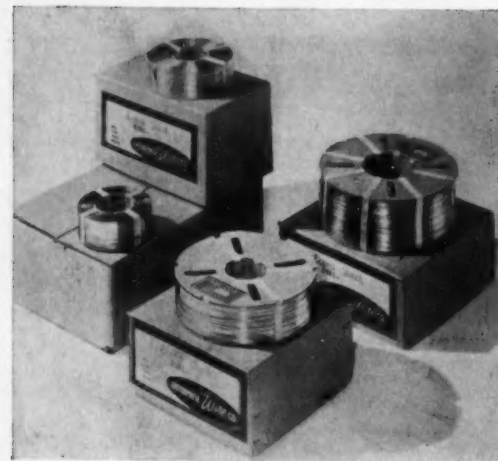
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Push buttons on recorder set chart speed at 2, 4, 6, 8, 15, or 60 in./min. through transistor switching. Recorder uses standard 120-ft. rolls, has glass door and roll-out carriage, provides pen speeds to 0.25 sec. full scale. Input: 5 mv. to 100 v.

Price: \$1,750. Delivery: approx. 4 wk.

F. L. Moseley Co., 409 N. Fair Oaks Ave., Pasadena, Calif. (PW, 4/4/60)



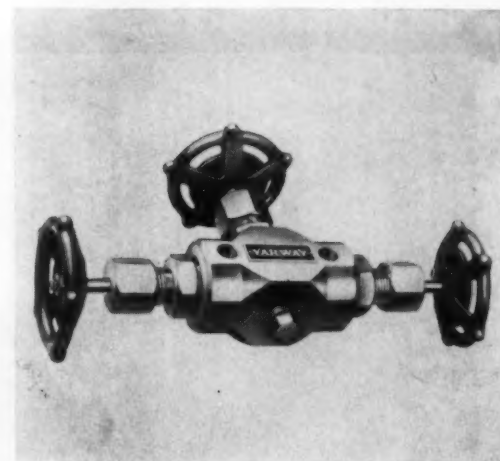
Stitching Wire

Fits Standard Machine

Rounded shape of box stitching wire (as thick and wide as standard wire) gives 22 more ft. per lb. It will fit any standard box stitching machine. Wire comes in 0.017, 0.020, and 0.023 x 0.103 gages.

Price: \$32.50 to \$33.50 per lb. (under 100 lb.) Delivery: immediate to ten days.

Enterprise Wire Co., Blue Island, Ill. (PW, 4/4/60)



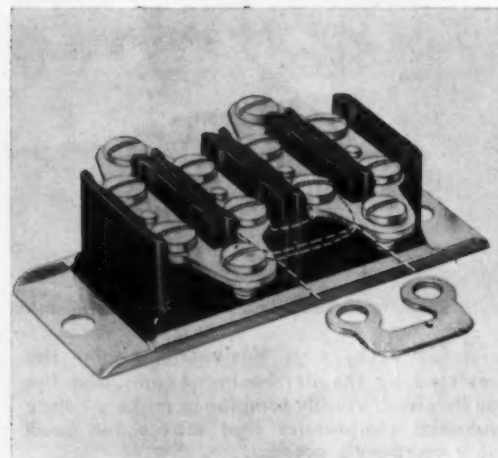
Valve Manifold

Connects Instruments

Valve manifold simplifies connection of instruments to flow meters, level indicators, etc. Two valves give line shut-off, another equalizes internal pressure. Body and working parts are stainless steel. Device offers screwed or socket-weld end connections.

Price: \$49.75. Delivery: immediate.

Yarnall-Waring Co., Chestnut Hill, Philadelphia 18, Pa. (PW, 4/4/60)



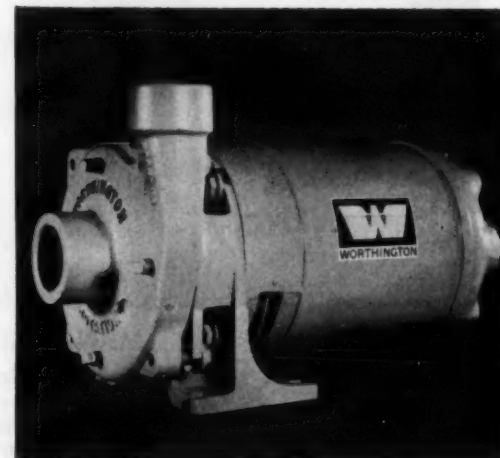
Junction Block

Handles 300 Volts

Block allows making multiple connections from single incoming line. Unit handles current of 30 amp., at 300 v., comes with from 1 to 12 poles or terminals. Recommended for single-phase applications in which branch circuits need tie point.

Price: 43¢ to \$4.83. Delivery: 1 wk to 10 days.

Curtis Development & Manufacturing Co., 3250 N. 33rd St., Milwaukee 16, Wis. (PW, 4/4/60)



Pump

Delivers 80 Gal./Min.

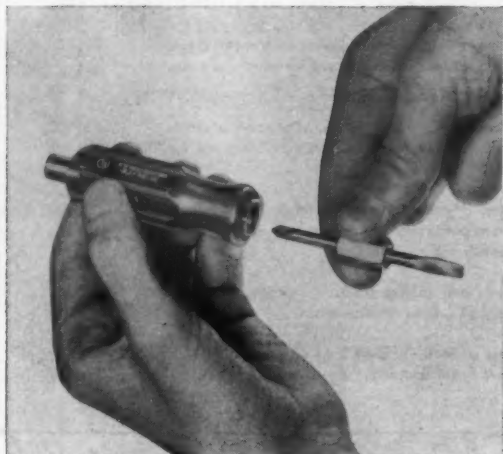
Pump delivers up to 80 gpm. at heads to 110 ft. Die cast aluminum bronze impellers have shell-molded casings for smoother operation. Six sizes are available in the fractional hp range. Mechanical seal is said to be reliable and easily replaceable.

Price: \$98 to \$600. Delivery: immediate.

Worthington Corp., Harrison, N. J. (PW, 4/4/60)

New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



Pocket Tool

Features Clip

Tool with pocket clip and red plastic handle has $\frac{1}{4}$ -in. socket at one end and $\frac{1}{8}$ -in. socket at other. It drives hex nuts, bolts, and screws. Double-end blade converts tool to screwdriver.

Price: \$2.30. Delivery: immediate.

Xcelite, Inc., Orchard Park, N. Y. (PW, 4/4/60)



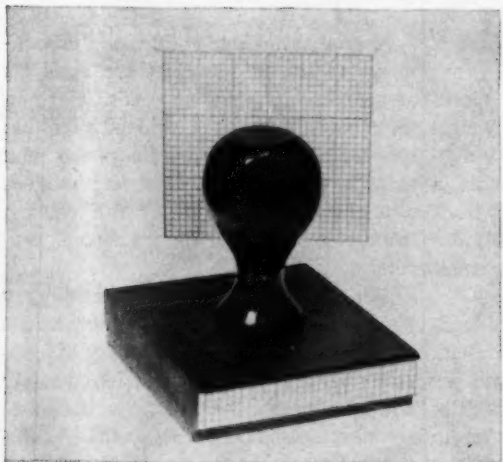
Repair Kit

Fixes Rubber

Repair kit enables user to repair conveyor belting, and other rubber products, without special equipment. Kit includes rubber and fabric-reinforced patches, sheet material, putties, cements, tools. Sealing and patching materials cure at room temperature.

Price: \$50. Delivery: 1 wk.

Conveyor Products Dept., U. S. Rubber Co., 1 Market St., Passaic, N. J. (PW, 4/4/60)



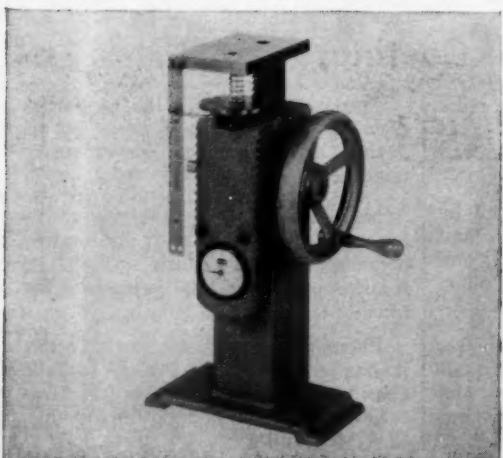
Rubber Stamp

Yields Graph Pattern

Rubber stamp makes a 3-in.-sq. graph pattern that enables the user to eliminate individual graph sheets from records and correspondence in research, engineering, sales, and production. Graph pattern is 100 blocks per sq. in.

Price: \$3. Delivery: immediate.

Edmund Scientific Co., Barrington, N. J. (PW, 4/4/60)



Spring Tester

Handles Up to 25 lb.

Spring tester handles both compression and extension springs with capacities from 1 lb. to 25 lb. Gages separate from test stand to measure force of cable tensions. Device handles extension springs 3-in. long, compression springs to $\frac{3}{4}$ in.

Price: \$100 (stand); \$65 (gage). Delivery: immediate.

John Chatillon & Sons, 85 Cliff St., N. Y. 38, N. Y. (PW, 4/4/60)

This Week's

Product Perspective

APRIL 4-10

• Manufacturers of numerically controlled machine tools expect to sell more systems during 1960 than they sold collectively in the 10 years since the process was invented. Numerical control got its start with the Air Force (making complex supersonic aircraft wing parts in production quantities) and until recently nonmilitary firms viewed the process with much caution. But now, doubts have been dispelled and experts predict half the country's metal-working machines will be numerically controlled within 10 years.

• Numerical control takes one of two forms—point-to-point or continuous path. Point-to-point control is less costly and is finding a wider variety of uses. Experts predict sales of about 1,000 point-to-point systems (previous total 635) and around 130 continuous path (previous total 200) systems this year.

Point-to-point systems move a tool (such as a drill) from one fixed position on a part to another. The instructions direct the tool to the next working position, but tool operation between the two points is controlled by regular machine functions.

Main point-to-point uses are drilling, boring and reaming. Drilling looks especially attractive to control manufacturers. One machine tool company president recently predicted that "as much as 70% of the new drilling and boring machines being bought by the end of 1960 will be numerically controlled."

Path or contour control is more complex because it involves a combined movement of the machine tool slides while the cutting is done. This system controls the tool path throughout the entire operation. Uses to date have been largely limited to turning and milling operations on complex shapes.

• There is a big cost differential between the two systems—A simple point-to-point system might sell for \$5,000 to \$7,000, while the more refined continuous system might run \$75,000 to \$90,000. Programing times also vary. A program for a point-to-point system can be prepared in about one hour, but a complex continuous path routine may take three or four days.

• Regardless of the method used, numerical control offers definite advantages for many machining operations. It eliminates operator control and human error, shortens lead and set up time, assures correct tool loading, reduces inventories of jigs, tools, and fixtures, and gives flexibility (control data can be changed easily and stored for future use).

Some ripe areas for numerical control: parts that are expensive to make because of close tolerances, prototypes parts and small lot production, and manufacture of obsolete parts that require storage and handling of costly tooling and machines.

Although to date, most numerically controlled machines have been applied to milling, drilling, and boring, manufacturers see more novel uses right around the corner. Some typical new areas: stretch forming, spin forming, jig grinding, spot welding, model positioning, typesetting, and dimensional inspection.

• General Machinery Div. of Baldwin-Lima-Hamilton Corp. recently took numerical control a step outside the machine tool field. The company designed and built a system to control automatically a machine that bends straight tubing into tailpipes to fit virtually any automobile or truck. The entire operation (with the exception of loading and unloading) is automatic.

• Maintenance and personnel problems that plagued early users seem to be under control. One manufacturer feels the industry has "reached a point where our control can be understood by the average maintenance man. Today the user need expect no more trouble with tape control than with standard machine control systems." Republic Aviation concurs. It presently operates five numerically controlled machine tools on a full-time production basis. Republic claims that preventive maintenance has cut down need for outside service assistance to one call in the past year and a half.

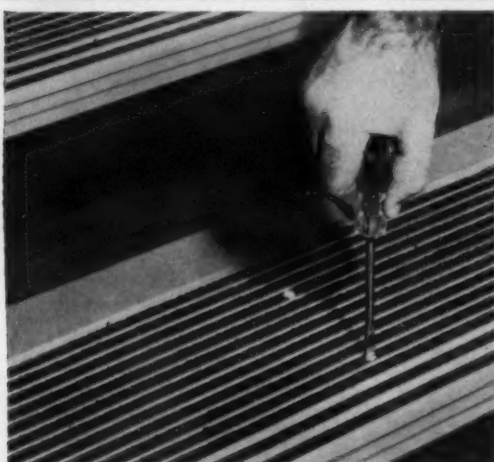
Numerical control makers are helping industry to convert from conventional tools. Bendix Aviation, for example, has put 53 part programmers, 134 operators and maintenance personnel from over 25 companies through the Bendix numerical control training program. Picking operators, say the experts, shouldn't be too difficult if you choose the right person in the first place. Bendix suggests someone who can learn new habits, preferably has a background in electronics—and above all has enthusiasm.

Coming up Fast for Materials Handling: 'Walkie' Trucks

TYPE	WHAT IT DOES	HOW IT WORKS	WHERE TO USE IT	*WHAT IT COSTS
Low lift pallet	Handles loads on pallets	Wheeled forks, from under forward end, insert under load, raising it several inches off floor for moving.	To perform horizontal moves in confined or low-floor-strength areas. No stacking.	\$1,500
Load carrier	Transfers loads	Uses a simple, nonelevating platform.	To handle bulky or nonunitized loads. Must be loaded by hand, crane, or truck.	\$1,250
Low lift platform	Handles loads on skids	Elevating platform inserts under load, raising it several inches off floor for horizontal movement.	To perform horizontal moves in confined or low-floor-strength areas. Requires 7 in. minimum clearance beneath load for platform entry. No stacking.	\$1,500
High lift platform	Stacks loads on skids	Platform elevates on vertical uprights as wheels under platform support load.	To stack extra-long loads and bulky objects. Forward supports give high-stacking stability. Requires 7 in. minimum clearance for load pick-up.	\$2,800
Outrigger straddle	Stacks loads on pallets or skids	Outriggers in front of truck use forward-end wheels. Two types: forks nest in outriggers' top surface, or forks lower in space between outriggers.	To stack in narrow aisles. Nesting forks handle single-faced pallets and skids; forks between outriggers handle wing or double-faced pallets. Outrigger needs entry space.	\$2,800
Fork truck	Handles all types of loads	Carries load cantilever-style in front of truck.	To handle special loads and to tier loads in storage. Can be equipped with a variety of special attachments.	\$3,000
Tractor	Pulls load on trailers	Various methods. Attachments that lift end of semi-live skids available.	To move a large volume of material over long distances. Trailers must be loaded by other types of trucks.	\$1,100- \$1,500

* Approximate cost for standard 3,000-4,000 lb. capacity models

Courtesy: Moto-Truc Co.



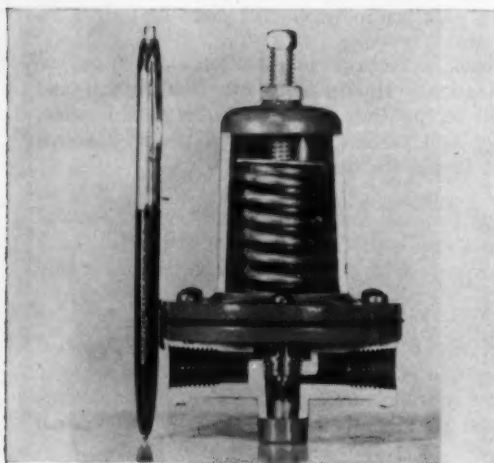
Stair Tread

Restores Steps

Aluminum tread repairs worn steps after user applies compound to restore level surface. Tread is 9 in. wide, has beveled back and abrasive ribs to guard against slipping. Available, with fasteners, in lengths to 12 ft.

Price: \$3.80 to \$4.10 per ft. Delivery: immediate.

Wooster Products Inc., Wooster, Ohio. (PW, 4/4/60)



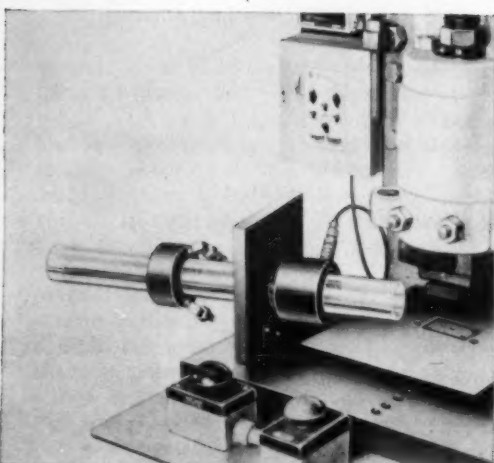
Regulator

Controls Pressure

Regulator controls air or gas supply of punch presses, pneumatic tools, and paint sprays in 0-5, 5-35, and 35-100 psi outlet pressure ranges. Constructed of die cast aluminum, device has maximum inlet pressure of 250 psi. Handwheel adjustment is optional.

Price: approx. \$5. Delivery: 15-30 days.

Rockwell Mfg. Co., 400 N. Lexington Ave., Pittsburgh 8, Pa. (PW, 4/4/60)



Safety Switch

Guards Press

Proximity die saver switch automatically stops press if part does not eject, preventing die and equipment damage. It can also serve as a production counter. Available with air ejection tube, in a variety of coil types.

Price: \$400. Delivery: 1-2 wk.

Robotron Corp., 21300 West Eight Mile Road, Detroit 19, Mich. (PW, 4/4/60)

New York—Low cost, high maneuverability, and easy maintenance are making the "walkie" truck a major contender for materials handling jobs in industrial plants and warehouses throughout the United States.

The walkie truck is a powered model controlled by the operator who walks in front of it, instead of riding in it. Here's how walkies compare to driver operated models:

Cost. Initial cost is 30% less than for comparable driver trucks, because the walkies are smaller, with no driver-seat. The price range for standard walkies is \$1,100 to \$3,000.

Maneuverability. Walkies can operate in narrow aisles and confined spaces where driver trucks find tough going. Many models can stack at right angles from 6-ft. aisles only 25 in. or 30 in. wider than the over-all length of truck and load.

The high maneuverability of "lead-arounds" results from their low weight to capacity ratio. A pallet walkie weighing less than 1,500 lb. can handle a 6,000-lb. load. A standard rider truck built to handle the same load weighs more than four times as much as its small brother, the 'walkie'.

The comparatively low weight of lead-arounds eases the burden on low-strength floors and elevators, without sacrificing load capacity. Standard load capacities of the trucks range from 1,000 lb. to 6,000 lb., and larger-capacity models—

up to 16,000 lb.—are commonly manufactured.

Maintenance. The small size and few moving parts that characterize walkies reduce downtime and maintenance cost. All walkies are designed to operate electrically. Most use electric storage batteries and run on 12, 16, 18, or 24 v. You can equip the units with gasoline-powered generators, but manufacturers don't recommend this because of space loss.

Some models, employing small-load-carrying wheels on outriggers or pallet forks, may show aggravated wheel wear. But special rubber and plastic compounds can cut this damage, manufacturers say.

Operation. The speed of walkies is geared to the walking speed of the average worker: 2 to 3½ mph.

Special handling problems. Attachments to standard walkies are available to meet special handling needs. For pallet models, there is a skid adapter that enables the unit to handle pallets and skids interchangeably. For fork models, attachments include paper roll clamps, drum clamps, carton clamps, booms, and rotating forks.

For use on long hauls or on slippery floors, small rider models of walkie trucks are said to preserve the flexibility of lead-arounds while providing maximum safety and comfort for the rider. Such models are heavier and more costly than standard walkies.

Purchasing Week Definition

Paints and Coatings (Part I)

Acrylic—Latex or water-based paint using an acrylic resin emulsion coats concrete, cinder block, stucco, and masonry surfaces.

Alkyd—A resin often modified by natural oils or rosin, it can withstand long exposure to severe weather, and has high heat resistance. Alkyd offers excellent adhesion to ferrous metals.

Chlorinated rubber—Extremely resistant to water, acids, and most alkalis, substance is used for floors and for wood, metal, and masonry immersed in water.

Epoxy—Coating has the properties of a baked enamel and cures by air drying. It can combat mild corrosive conditions.

Neoprene—Coating is highly resistant to many chemicals, including low concentrations of sulfuric acid. It is used on production equipment and for outside tank coating.

Phenolic—An air-dried formulation, it has good acid resistance for the coating of structural steel in fresh water, water tanks, and bottling plants. (PW, 4/4/60)

Paper Firm to Begin Full-Scale Output of Uniseal Multiwall Bags

New York—Union Bag-Camp Paper Corp. will begin full-scale production of its Uniseal multi-wall bags later this month. The completely heat-sealed, liquid and air-tight package has been available for 10 months on a pilot plant basis.

The bag was designed as an effective container for hygroscopic, deliquescent, corrosive, semi-liquid, or other hard-to-protect products. Rated to hold up to 100 lb. of bulk product, the bag is constructed in the form of a tube with from two to six plies of paper.

The inner ply of the bag is coated with polyethylene or another heat-sealable material. The construction of the remaining plies varies with the protection needed—they can be combinations of kraft paper, draft and foil, or polyethylene-coated kraft and foil.

The outer plies of the bag are staggered or offset, leaving the inner ply exposed to take a direct heat seal. Previously, it was impractical to heat-seal the inner ply of multi-wall bags because the seal had to penetrate through all the paper plies, which acted as an insulating barrier and slowed sealing speeds.

The user heat-seals the top of the inner ply with a special closing machine developed by Union-Camp. After heat-sealing, the machine applies adhesive to the top of the outer plies, folds the entire lip over, and pastes it to the outside of the bag so that no pressure will be exerted on the

heat-seal. The machine simultaneously adds a strip of 2½ in. wide tape centered over the edge of the lip.

The machine heat-seals, pastes the lip, and applies tape at the rate of six bags per minute. Other models are being designed to increase bag closing speed. Union Camp claims that in addition to costing less than rigid containers, the Uniseal bag saves on shipping and storage space, and costs less to ship.



IBM DATA TRANSCEIVER permits companies to transmit punched card data over standard dial-telephone lines at regular toll call message rates. Unit to send magnetic tape data is also available from company.

Alcoa Aluminum Foil Is Bonded to Plastic, Wood

Pittsburgh—Aluminum Co. of America has developed an aluminum foil precoated with an adhesive that bonds the foil permanently to plastic and woods through a hot press process.

Alcoa expects the foil to be used in manufacturing plywood, furniture panels, wall coverings, and plastic laminates. It will protect against moisture, serve as a paint base, reflect light, disperse heat, strengthen materials, and decorate surfaces. The foil will be available in gauges down to .001, and in widths up to 50 in.

How to dress Safely for 3000°F

molten splash exposure!

AO THERMOGARB ASBESTOS

It won't burn or char when splattered with 3000°F molten metal splash (other fabrics will)! A 30 inch coat weighs only 3¾ lbs. as against 6½ lbs. for conventional asbestos! These are major advantages of AO Thermogarb asbestos clothing.

This remarkable material offers almost double the tensile strength* of fabrics twice its weight and thickness... and 40% — 50% greater abrasion resistance than untreated asbestos. Your protective clothing dollars go farther. In addition to high heat and metal splash, Thermogarb is recommended for exposures to glass, chemicals, ceramics and oils.

AO Thermogarb will save you money. It is available in a complete line of AO protective clothing including coats, leggings, cape sleeves, coveralls, sleevelets, spats, pants, chaps and aprons — in white or yellow. ("W" before cat. no. means white. "Y" means yellow.) Your nearest AO Safety Products Representative can supply you.

*Even before treatment, more after treatment.



Spring type legging with replaceable covers which attach to frame by snap fasteners. Frame or covering can be ordered separately. Cat.No. W1481-R.

Arm, chest and shoulder protection in a cape sleeve and bib. All seams double stitched. Bib attached to front of cape with snap fasteners. Anchor button at each armpit. Cat. No. W208B.

Coat completely protects from neck to below knees.

Wool collar. Snap fastener adjustment on cuffs for snug fit. Snap fasteners on front have leather pull tabs for quick removal. All seams double-stitched. 6 standard coat lengths — coat shown is 44". Cat No. W204-44.

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AO Trademarked
Safety Products.



SOUTHBRIDGE, MASSACHUSETTS
Safety Service Centers in Principal Cities

Product Briefs

Polypropylene rods and cylinders with excellent impact resistance withstand 240F in manufacture of prototypes. Material is easily machined, ground, drilled, threaded or welded. Heavy semi-finished moldings are available in 2 in. and 4-in. cylinder form and ½ in. through 3-in. dia. rods. Suggested applications include bearing material, pillow blocks, valves, automotive parts, and laboratory ware. *American Agile Corp., 5461 Dunham Road, Bedford, Ohio.*

Wire stripping machine color codes nylon and p.v.c. jacketed wire with 1, 2, and 3 stripes at one time. Machine stripes 0.050-in. to ⅞-in. wire at speeds up to 150 ft./min. Winding mechanism adjusts for different spool widths. After wire is striped, ink dries in passage through 7-ft. vertical tower furnished with four 1,500 watt heating elements. Safety switches prevent burning. *Electronic Div., Electronic Production & Development, Inc., 138 Nevada St., El Segundo, Calif.*

Solids processing unit, combines liquid-to-solids blending and vacuum drying to minimize materials handling of chemical formulations. Packaged system handles alcohol, starch paste, gelatin, water, or other pumpable fluids with charged capacities ranging from 1 to 50 cu. ft. For changeover in formulations, unit cleans easily with simple hosing. *Patterson-Kelley Co., Inc., East Stroudsburg, Pa.*

Who Should Set Up Inventory Control Policies? And What



INVENTORY INTEREST runs high as North Jersey P.A.'s listen to latest management methods for more successful inventory control.



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Here are a few of the many precision-made Chicago Locks available. They're engineered for maximum security — made of carefully selected and tested metals. And they emphasize attractive design and compactness.

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Rutgers University-North Jersey Assn. Join Forces In a Full-Scale Purchasing Session on Inventories

New Brunswick, N.J.—Purchasing agents gathered here March 17 to talk inventory control. In spite of bad weather, 110 men came to a joint session of the Rutgers University Extension Div. and the Purchasing Agents Assn. of North Jersey to get answers to questions such as:

- Who should establish inventory control policies?

- How do you coordinate the demands of the various departments?

- How do you get enough funds from top management to buy in economic lots—to make the most of special deals?

- Can a small firm use techniques like electronic data processing, or are such techniques too costly?

The program was full of questions—and answers. Theodore Kobacki, purchasing agent for Autographic Business Forms, Inc., of South Hackensack, N. J., who is program chairman for the North Jersey group, set the stage for the discussion.

Said Kobacki: "We're here to profit from our combined knowledge and discussion with people having similar problems."

Latest Trends Discussed

A. L. McMillan, purchasing consultant with Management Services Associates, New York, and former P.A. for the City of New York, presented a discussion of the latest trends in management of inventory control systems. McMillan pointed out that though purchasing is usually made responsible by top management for two of the four categories of inventory (raw materials and maintenance items—production usually is responsible for work-in-process and sales for finished goods), this "responsibility must be teamed with authority." McMillan indicated that relatively few P.A.'s had authority appropriate to their responsibility. Materials management, he said, offers a management system that will give adequate control over inventory.

Purchasing faces another inventory management problem, too, he added. "It's the most difficult aspect of inventory management: measurement of performance." No single yardstick is handy—as with sales and production. "The question is how to figure the cost of stock outages on one hand, and excess inventory investment on the other."

One measure, said McMillan, is the inventory turnover rate, but it's still not comprehensive. This rate must be figured for every item in the inventory. "Selective analysis will find slow moving stock, but it's time-consuming, detailed work." To figure the turnover rate, you divide the total stock disbursements for the period by the average inventory for the period. This measures the activity of the inventory account, and should help you spot items that do not need replenishment, or additional inventory investment.

Important to P.A.'s

Oscar S. Porter, manager of factory control at Wallace and

Tiernan, Inc., Belleville, N.J., outlined his company's approach to inventory control. Porter suggested that "P.A.'s should have a working knowledge of inventory control for two reasons—first, the major part of the money and effort you spend is on items for production or resale. For these items, purchasing carries the real burden after inventory control initiates the purchase request, and inventory control counts on purchasing to meet its required delivery. Any purchasing personnel will function more efficiently when they know the real reasons behind these inventory requisitions."

Porter went on to say that P.A.'s must learn more about inventory management, or they won't get the authority to go with their responsibility. "I feel strongly that purchasing agents should know more of inventory control. In recent years much has been said about a new concept called 'materials management,' which is the unifying of all phases of materials control: purchasing, inventory control, materials handling, receiving, shipping and traffic under one direction to secure a maximum of coordination between these related functions."

Field of Opportunity

In this area, Porter added, lies a golden field of opportunity for purchasing agents because the majority have the experience and are of a caliber capable of growing into leadership in the field of materials management. "But only if purchasing agents delve into inventory control to learn more about it can they expect to be qualified for this leadership."

Wallace and Tiernan doesn't

have a materials management organization, but all its inventory requirements are determined through close cooperation between sales, production, and purchasing people in daily meetings. Porter called these meetings the "Board of Review." It's respon-



CONTROL MANAGER Oscar Porter of Wallace & Tiernan, Inc., explains how his system depends greatly on buyers' cooperation.

sible for integrating six-month sales projections into production capabilities and inventory order requirements.

Porter explained that though Wallace and Tiernan has a diversified product line ranging from pumps and industrial process equipment to navigation buoys, foghorns and ethical pharmaceuticals, the same inventory control organization serves all.

Forecasts and Records

The heart of the system is the sales forecast and an inventory record system based on the forecast, finished goods inventory, work in process, raw materials on hand and due in. The review



Panelboard, Control, and Machine-tool Transformers

Available in four constructions for conduit, open, or panel wiring to step down voltage of distribution circuits. Secondary voltages available: 12, 14, 24, 32, 120, and 240 in ratings of 25 va through 5 kva. Machine-tool units meet high inrush requirements of relays and solenoids. Terminal boards, circuit breakers, and fuses are optional accessories.

**FREE
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For more information, request publication GEA-6723. General Electric Company, Section 413-03, Schenectady 5, New York.

GENERAL ELECTRIC

About Special Deals? These Purchasers Learn the Answers

committee checks on the various product lines regularly and arranges for purchasing to issue orders for material to meet production requirements of the company.

Porter noted that this system enabled Wallace and Tiernan to enjoy most of the "benefits of materials management approach to manufacturing control without the necessity of this type of organizational arrangement. Both departments have learned each others problems and daily work together to solve them in the best possible way."

Reviews Formula

Douglas V. Smith, Director of Purchasing Training for General Electric, reviewed the Economic Order Quantity formula for the P.A.'s. Smith contrasted this approach, which "may be a material management function, since it concerns itself with annual quantity requirements (which may be the prerogative of production department) and the cost of carrying inventory," with the Economic Order Price which should be an "everyday purchasing concern." EOP is an approach that will tell a P.A. whether he should take advantage of a special price deal or a price-quantity discount.

Which Gives Greatest Return?

Smith told the P.A.'s that "whenever the savings they can make through larger quantity buying are greater than the cost of the additional working capital tied up in inventory, then the additional quantity should be purchased." This means that P.A.'s should calculate a return on investment for the savings they can make on quantity discounts or price specials and compare it with their firm's return if they used the same funds for an investment in tools or other capital equipment.

Smith explained that it should be "part of purchasing's respon-

sibility to determine the most economical buying policy so far as is consistent with its authority. This authority includes the ability to make buying decisions based on working capital or return on investment considerations. By buying to keep the sum of overall costs at a minimum, the buyer is making the greatest contribution to his job."

'Paperwork Empires'

Winding up the program, E. Philip Daro, of Sosin, Daro &

Associates, New Brunswick, a management consultant in the field of data processing and paperwork systems, criticized many purchase order and inventory systems for being "paperwork empires."

Daro discussed purchase order systems design. He recommended that P.A.'s design their requisition and order system so the "originating department would make up combined requisition and purchase order. After all, they know the type of item they

want, and can put the accounting charge numbers on the order when filling it out."

Reproducible Stencils

Reproducible stencils should be used so as many copies as necessary can be made. "Why re-write a document so many times to transfer information from paper to paper," says Daro. Even a hand written form could save time and paper, provided, of course, that requestors had legible handwriting.

Daro told why purchase order systems had been difficult to adapt to electronic data processing. Resistance of the human organization was one factor. But P.O.'s often carry more data than can be punched onto a card; they are incomplete in many stages of processing (no prices, for example), and often many changes have to be made in vendors or order numbers. The answer may lie in manual systems for most small companies, Daro pointed out.



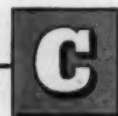
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PURCHASING WEEK
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NEW YORK 36, NEW YORK

Seven Firms Named Vulcan Join To Improve Customer Services

Birmingham—Seven different steel-container companies—all named Vulcan—have merged under a single corporate umbrella in a move aimed at improving customer service.

The new company, Vulcan-Associated Container Companies, Inc., will be headquartered in Birmingham. While its seven subsidiaries stretching across the country and into Canada will retain autonomy over their own manufacturing and sales operations, the new setup calls for these major innovations:

- Pooling of company capital. The pooled financial strength of the smaller subsidiaries is expected to make all of the plants stronger financially.

- Order interchange. The seven-plant complex will be able to offer customers delivery anywhere in the U.S. and Canada. In addition, orders will be shifted from plant to plant to ensure immediate service.

- Name changes. With the new corporate name, Vulcan management believes it will be able to end customer confusion that grew out of inability to do business with a Vulcan plant in the East, for example, through a local Western plant.

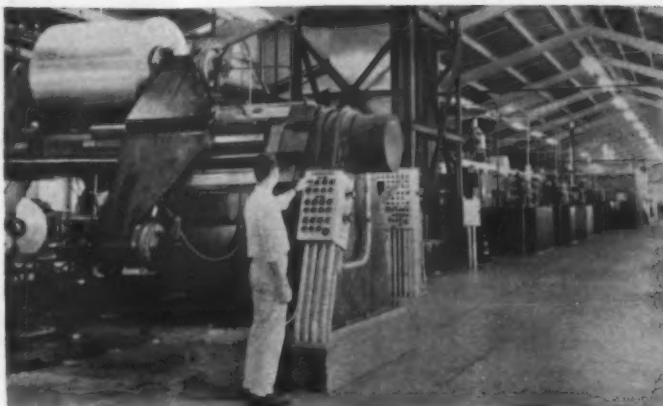
All seven plants will continue producing steel pails in sizes ranging from 1 gal. to 55 gal., a company spokesman said. Only the Bellwood, Ill., and Peabody, Mass., installations will turn out tinplate cans for printing inks, which nevertheless may now be ordered through any Vulcan branch.

At the time of the merger, Vulcan officials announced the completion of an expansion at the Bellwood plant, where new equipment has been installed and a

new building has been constructed.

The Dallas, Tex., and Toronto, Can., plants also have been enlarged. In Texas, Vulcan has doubled its manufacturing space and is now adding large drum equipment, while the Canadian facility now has 10,000 additional sq. ft. of plant space.

Birmingham, too, has added 20% more manufacturing area and new production equipment.



NEW 66-in. paint line at Kaiser Aluminum & Chemical Corp.'s Ravenswood, W. Va., works: Aluminum undergoes automatic processing.

Kaiser Sets Up New Line At Its Ravenswood Works

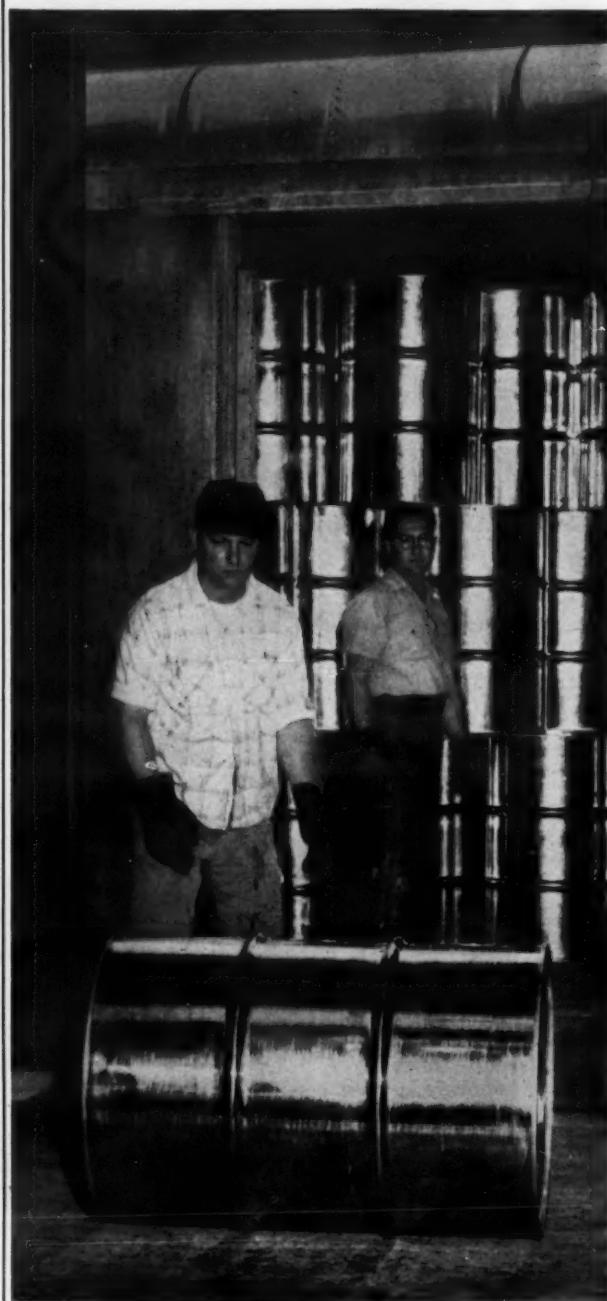
Ravenswood, W. Va.—Kaiser Aluminum & Chemical Corp. has set up a new production line in its plant here capable of turning out painted aluminum coil in widths up to 66 in.

The new, completely automatic line handles coil form in gages ranging from 0.006 to 0.064, which is used by fabricators to produce awnings and residential sidings, license plates, miscellaneous building materials, and panels for mobile homes.

The roll-coated coil stock is called "Kaiser-Kote."

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their contents!



Where Can I Buy?

Some products are easy to locate, others difficult. Perhaps you can help one of our readers who knows exactly what he wants but doesn't know where to get it. And keep in mind that you can make use of this PURCHASING WEEK service at any time.

While you are answering our reader's request, would you also send us a carbon copy of your answer?

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Republic Steel Drums are rugged on the outside, chemically clean on the inside, for protection of their contents under all kinds of conditions. They are available in a wide range of types and sizes, in both light and heavy gage classifications, to provide a complete service to the chemical industry.

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A FEW OF THE AVAILABLE TYPES...



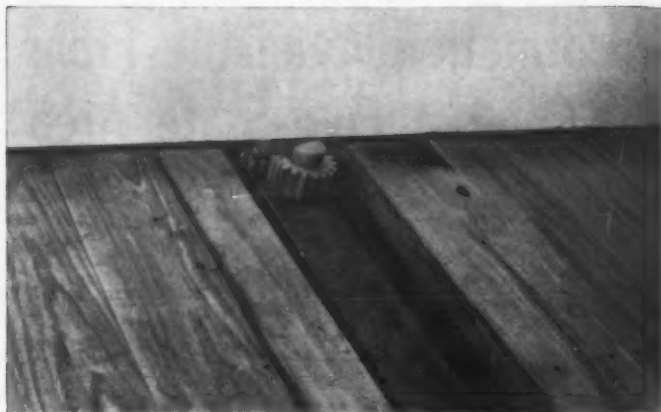
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I.C.C. 5, 5B, AND 17F
HEAVY DUTY DRUMS



ADJUSTABLE BULKHEAD developed by Anchor Steel and Conveyor Co. now promises to secure cargoes, reduce less-than-carload costs.

L-C-L Help: An Adjustable Bulkhead

Dearborn, Mich.—Anchor Steel and Conveyor Co. has come up with a new adjustable bulkhead for boxcars that it says may mean "substantially" lower operating costs on less-carload shipments.

The new Anchor bulkhead is currently undergoing impact tests as the last stage in a grueling 10-month program in which the Central of Georgia Railroad has put a prototype of the device to actual use on l-c-l shipments.

The Anchor bulkhead, a divider panel shaped like the inside of the boxcar, rides on two over-

head 4-in., I-beam trolley rails, supported by six 4-in. I-beam braces. A crank handle inserted near the bottom of the bulkhead turns four gears at the sides of the units to move it against the cargo.

Anchor officials say only a pound of pressure on the handle is needed to produce 50 lb. of pressure against the cargo. The bulkhead, which locks in place automatically, has already been used to hold general cartoned cargo, including bottled products. The units will cost about \$2,500 and \$108 to install.

Industry News In Brief

Dayton Ups Output

Waynesville, N. C.—Production of rubber and synthetic-covered rollers used in the graphic arts, steel mill, textile and general industrial fields is being set up at Dayton Industrial Products Co., division of Dayton Rubber Co.

Designed to meet the expanding roller market of the Southeastern part of the country, roller manufacture at Waynesville will augment production at Dayton facilities in Three Rivers, Mich., and Dayton, Ohio.

Forms New Division

Palo Alto, Calif.—A new division for engineering and manufacturing of microwave instruments, signal generators, and waveguide devices has been formed by the Hewlett-Packard Co.

The division will be located in the new Hewlett-Packard facility in Stanford Industrial Park, Palo Alto. The manufacturing plant is being completed and equipment is to be installed within the next few months.

Promotes New Products

Philadelphia—Pennsalt Chemicals Corp. has established a Research Products Development Dept. that will evaluate—and promote—products resulting from Pennsalt research activities.

The department will study the commercial potentials of such new developments as Pennsalt's polyvinylidene fluoride resin, RC-2525; high energy perchloryl fluoride; and the trifluoroethyl intermediates, and aerosols.

Production Starts

Lorain, Ohio—Gypsum wallboard is now rolling off the continuous production lines at National Gypsum Co.'s new multimillion dollar plant here.

The large new manufacturing facility has the capacity to turn out enough gypsum wallboard, lath, plaster, and sheathing to build 30,000 homes annually.

Forms New Setup

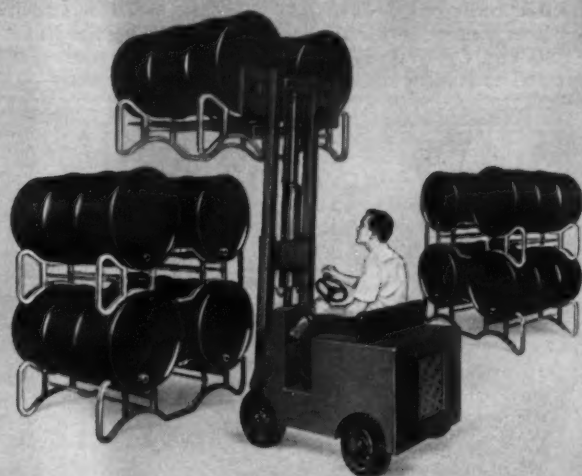
Detroit, Mich.—Robotron Corp., manufacturer of industrial electronic control systems, has adopted a new product grouping policy as a result of recent expansions in its product lines.

In a move toward more efficient operation, product lines have now been split into four divisions: Resistance Welding; Automation Devices; Regulators; and Induction Heating.

Too Many Facilities

Buffalo, N. Y.—Fenestra, Inc., formerly known as Detroit Steel Products, plans to close its big steel fabricating shop here by the end of this month.

Fenestra fabricates steel doors and steel roof decks. A company spokesman said closing of the Buffalo plant is the result of having "too many facilities and not enough business."



PORTABLE DRUM RACKS shown are exclusive with Republic, and are available at low cost. Each will accommodate two loaded 55-gallon drums, permitting stacking to any practical height to save valuable floor space. Republic Portable Drum Racks are shipped knocked down, with fasteners for quick and easy assembly. Send coupon for details.

capacities, from 16- to 12-gage in hot rolled carbon steel, depending on specification and service. As with the light gage service, hot dip galvanizing and hot dip tinning can be provided. In addition, Republic offers containers made of ENDURO® Stainless Steel for the ultimate in long-lasting, trouble-free, corrosion-resistant performance.

Republic also produces a full line of Steel Packages from 3½- to 20-gallon capacities. Gages range from 26 to 20 in plain steel. Decoration and special high bake linings can be applied to meet individual requirements.

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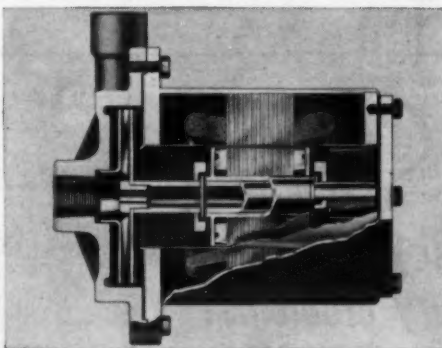


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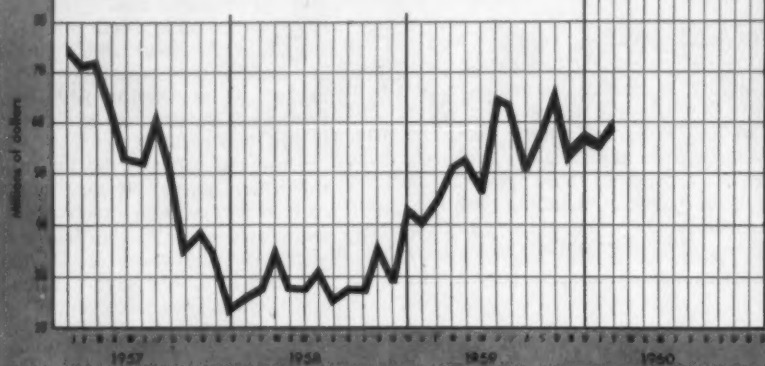
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A P/W INDICATOR: MACHINE TOOL ORDERS

Orders received by the nation's tool builders reflect business feeling about the future. A company willing to buy a new machine today usually feels that business tomorrow will warrant the new investment.



THE SMALL RISE in new orders is centered in the "metal cutting" area. But even here the picture is mixed—for brisk shipments outpaced incoming metal cutting business, pushed backlogs of new orders to their lowest levels in more than eight months.

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Pipeline Co. Readies A 1,750 Mile Pipeline

Tulsa—Mid-America Pipeline Co. is getting set to stretch a 1,750-mile gas pipeline from New Mexico to Minnesota and Wisconsin.

The new line, scheduled for completion by Dec. 1, will carry liquid propane, butane, and natural gas from Eunice, N. Mex., to McPherson, Kan., where it will split into two branches—one going to Minneapolis and St. Paul, the other to the Madison-Milwaukee, Wis. area.

The \$71-million project will mean a 50% cut in propane prices for the Twin City area, to which the gas now is shipped in railroad tank cars at a cost of \$1.68/barrel. The pipeline rate will be 80¢/barrel.

Oil companies now planning to pump their products through the big tube include Skelly and Sinclair Oil Co., Pure Oil Co., National Propane Corp. (a Shell Oil subsidiary), Tuloma Gas Products Co. (a Standard Oil of Indiana subsidiary), and Sid Richardson Gasoline Co.

Initial plans call for a total of 50,000 barrels/day to flow through the pipeline.

Supplier Information Available From This Utility Over a Five-State Area

Omaha—A leading public utilities company here is offering buyers all over the country free information on manufacturing facilities in the Northern Plains area.

Northern Natural Gas Co. has created a complete facilities register, which consists of electronically tabulated information on the manufacturing capacities of thousands of manufacturers in the five states served by the utility company.

Company officials say they will, upon request, furnish to "any business without charge, a list of all manufacturing suppliers in any line who have production facilities in Iowa, Kansas, Minnesota, Nebraska, or South Dakota."

The company also will supply P.A.'s with information on available equipment and supplies as well as the capacities of the firms producing these materials.

Inquires should be directed to Randal

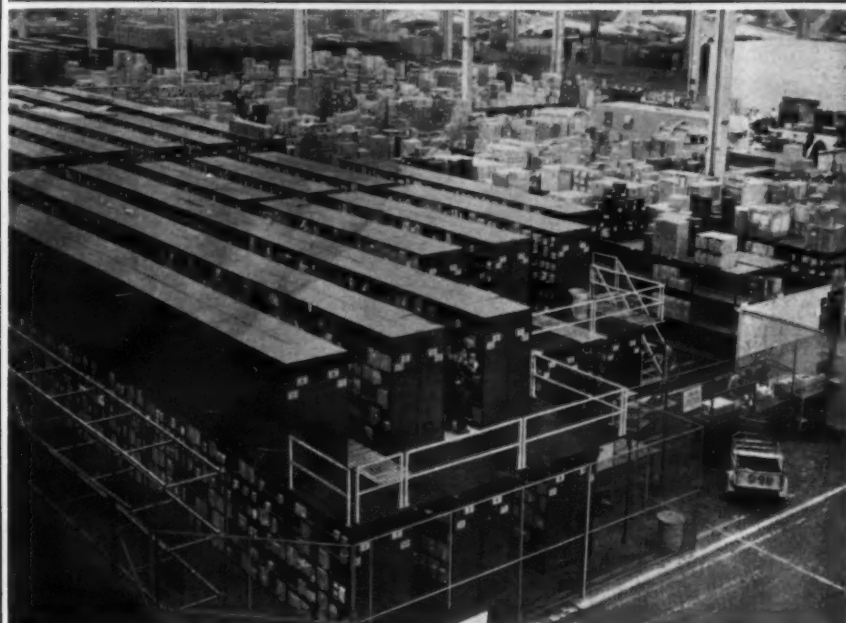
T. Klemme, vice president, Northern Natural Gas Co., Omaha 1, Nebraska.

Unit Crane & Shovel Buys Out Bay City Shovels, Inc.

Milwaukee—Unit Crane & Shovel Corp. has purchased Bay City Shovels, Inc., of Bay City, Mich., for a reported \$2.1-million. The Bay City firm will continue to operate under the same name as a wholly owned subsidiary of Unit Crane.

No plans have been made to evaluate the present Bay City dealer setup, but Unit Crane officials indicated they were contemplating no changes at this time.

The Bay City firm, which has been up for sale several times during the past four years, produces mounted and crawler cranes and shovels up to 40 tons.



DOUBLE-DECKER STORAGE BINS at Lockheed Aircraft Corp.'s Georgia div. have cut warehouse floor-space needs in half. Government-furnished parts, stored near point-of-use on Lockheed's B-47 modification floor, have to be sorted carefully and closely controlled. Cost of fencing and floor space is halved by stacking storage bins two-high.

Specify...
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delivery problems!

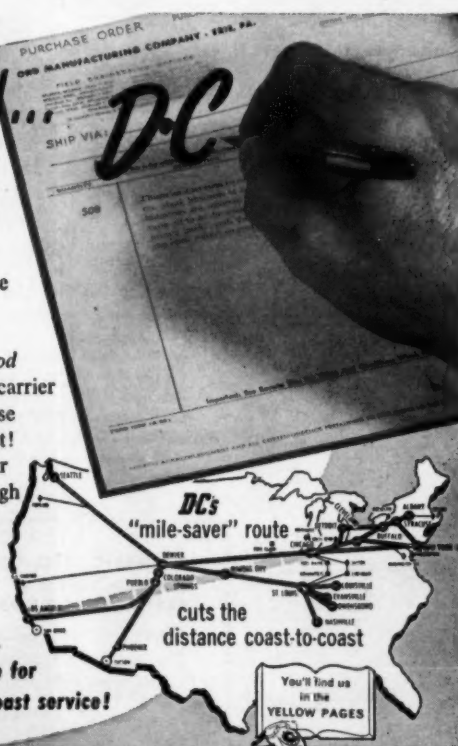
Why? Because D-C takes the entire responsibility for delivering your order for parts, materials, or merchandise on time and in good condition. Only D-C can offer one-carrier responsibility coast-to-coast because only D-C goes direct coast-to-coast! One-carrier handling...one-carrier control...non-stop, straight-through service all the way on D-C equipment...cuts 20% off running time...assures you on-time delivery every time!

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Prices Creep Upward, But It Isn't Inflation; Average Is About 1 to 2%, Special Survey Shows

Purchasing Agents Turn to Increased Imports To Offset Components, Finished Goods Cost Push

(Continued from page 1)
boosts ahead. But the boosts are expected to be relatively small—about 1-2% over the next six months.

• **Terms of sale**—There's little indication that changes in terms of sale (discounts, extras, etc.) are affecting price trends.

Almost 80% of the respondents, for example, say there has been no appreciable price effect. The few cases where smaller discounts and higher extras have pushed up tags are nearly balanced out by cases of lower discounts and the elimination of extras.

• **Year-ago comparisons**—Some 55% of the answering P.A.'s report that raw material prices are above a year ago. For

five of these importing P.A.'s report an increase in overseas purchases for their companies during the past year.

Another point brought out by the survey: The items involved in this rising import trend cover a wide range of products. Machinery, chemicals, metal parts, and paper are just a few (see the complete listing in the summary below).

RECENT CHANGES

A closer look at the list of price changes provides some further insights into current and future trends. Along with specific products, you'll find (wherever available) the percent change reported.

As for the specific products involved, they are fairly representative of a typical purchase

REASONS BEHIND CHANGES

A tabulation of the factors behind price rises finds "labor" far out in front. Rising wage costs are attributed by purchasing executives for price boosts in 83 products over the past three months.

These 83 items represent 66% of all items where price rises have been reported.

Says one East Coast machinery purchasing executive, "Absorption of higher labor costs—both direct and through fringe benefits—are behind most of our suppliers' recent price boosts."

Much the same statement comes from such widely diverse industries as petroleum, automotive, electronics, and cement.

Another price boosting factor—though far behind labor—is the increase in material costs. Some 19 purchasing executives see this as a cause of recent price hikes.

Rising transportation charges also come in for a part of the blame. This factor is noted as a price boosting force in seven items: corrugated cartons, chemicals, clay, paper, rubber, steel, reinforced tape.

As far as price decreases go, reasons given are varied. But the fact that foreign competition was mentioned specifically for 10 out of the 66 products reported is significant.

THE ROLE OF IMPORTS

The price factor in the import equation can best be appreciated by looking at the list of specific products where imports are being increased.

Prices are mentioned as a motivating force in 87% of the cases.

As one metal fabricator put it: "Foreign quality and dependability are on a par with American standards. Under such conditions, we'd be crazy to pass up foreign items that are currently 10-20% below domestic prices."

Purchasing executives note other figures are also behind the import increase—though according to the survey, they are much less important than price. These include quality, design, and—in a few cases—the fact that the foreigners provide the only source of the product in question.

Import Items Now Making Inroads

Aircraft parts, alloys, amyg-dalas, bearings, brass, brushes (paint), burlap, can webbing, castings, ceramic parts, chemicals, chlorine, clay, columbium, copper-tubing, cotton fabrics, drills, electronic flash units endobenzene bromide, fittings.

Flatware (stainless), forgings, fork heads (garden tools), galvanized sheets, hardware, hard-board, incandescent and flash bulb bases, industrial jewels,

kapok, chipper knives, lauric acid, machinery and parts, manganese dioxide, mill rolls.

Molybdenum sheet, nails, nameplates, oil well casing, kraft paper, phenolic sheets, pigments, plumbing valves, printing presses, pulp, quartz tubing (light bulbs), radio parts, salt cake, scrap (low carbon chrome), screws, steel products, talc, toy components, tungsten wire, urea, and zinc.

components and finished goods, 66% note increases.

These percentages are much higher than those measuring the increases over the past three months. The comparable three-month percentages show 22% reporting raw material increases and 34% reporting component part increases.

It's a pretty strong indication that prices have been inching ahead steadily for at least the past year.

• **Imports**—Some 37% of the respondents say that they are now purchasing from overseas sources. More significant, two out of every

mix. Metals, metal parts, chemicals, paper, textiles, tools, packaging, and rubber are just a few of the broad categories affected in recent months.

In the case of increases, note that in almost all cases they are relatively modest. The average is well under 5%.

In fact, in only six instances (gloves, jute butts, naval stores, pipe fittings, resistors, and zinc) do they exceed an average of 10%.

Decreases, while fewer in number, tend to be a little sharper. Some 10 out of the 65 items reported as a cut, involve reductions of over 10%.

PRODUCT BY PRODUCT Here's How P.A.'s Report Prices Moved Since Jan. 1

Prices UP and Average % Reported:

Abrasive belts (3%), adhesive ingredients (5), alkalis (3), alloys-nickel (2-4), aluminum (3-7), aluminum parts (3), aluminum products (2-5), asbestos products (5), batteries (5), bearings (2-9), belt, flat (4), benzene (10), beryllium fingers (10), bolts, nuts, and screws (5), brake drums (10), brass (3), buffing equipment (5), burlap (1), bushings, steel and rubber (3).

Calcium dichloride (2), cap screws (5), carbon black (10), cardboard (10), carbons, corrugated (5-10), casein (5), castings (bronze 3-5, die 3, gray iron 5, malleable 3-5, manganese 5), chemicals (agricultural 3, coal 1-10, heavy 2), chlorine (3),

clay (2-12), upholstery cloth (5), metal containers (3-5).

Copper (2-5), phosphorized copper (8), cotton (2-3), cutting tools (10), drills (5), electric controls, electric motors (2-4), electronic hardware (5), electrical supplies (3-5), electricity (2), fasteners (3), silicon ferro-alloys (1), fiberglass (3), fittings (2-10), flanges (5), forgings (4), glass packaging (2).

Gloves (7-18), grinding wheels (3), hardware (2-6), hose assemblies (6), imported dinnerware (3), isophthalic (5), jute butts (75), laminated insulation (4), lamp sleeves (2), hydrated and quick limes (3-7), lumber (5), machine parts (5-10), machinery (5-6), malleable iron (4), milling cutters (10), monoglycerides (8).

Naval stores (19), oils (essential 2, white mineral 5), paper

(3-10), paraffin oil (5), petroleum products (4-5), phthalic anhydride (5-12), pigments (2-5), pine tar (16), pipe (6), pipe fittings (5-20), plasticizers (5), plywood (5), porcelain liners (5).

Powdered nickel (5), painted products (10), pumps (3), rags (5), rayon (3), refined oils (5), refractories (5), resin (10-18), resistors (12), rubber (2-8), safety equipment (6), screw machine parts (3), sheet metal (5), shipping supplies—twine, tape, boxes, glue, gums, ink (3), sodium aluminate (6), solvent-stoddard (8).

Steel products (4-10), steel carbon castings (3-5), steel reconditioned drums (10), steel forgings (4), steel stampings (5), supplies (6), reinforced tape (5), textiles, tin cans (2-5), tins (5), tools (8), transmissions (4),

valves (4-10), wire (5), wood handles—tools (5), zinc (3-20).

Prices DOWN and Average %:

Acrylonitrile (12), aluminum (5), multiwall bags (5), bearings (5), brass (5), bronze (2-10), bolts and nuts (1), corrugated cartons (5), cast iron scrap (2), castings (machined 4, nonferrous 10, stainless steel 1-5), copper—dealer, custom smelter and scrap (2), chemicals (2-5), copper wire (8), diodes-transistor (10-25).

Dipropylene glycol (3), dodocyl benzene (4), dyestuffs (5), electric motors (4-15), fasteners (2-10), fats and oils (3), ferro-alloys—manganese (2-5), ferro-chlorine (10), finishing materials—wood (5), forgings—stainless steel (1), fuel oil (9), grinding

wheels (3-5), [hf] acid (15), inks (3), iron scrap (8-16), lead (4), leather (20), lumber (4-), maleic anhydride (19).

Nepheline syenite (12), paper (1-5), phenylphrine (20), plastics (6), plywood (10), polyethylene, polyethylene film (5), pottery (3), rectifiers—silicone (3), resins (5), resins-polyester (2), mixed rope (3), screw machine parts (1), selenium (7).

Silicone emulsions (4), solvents (5), soybean oil, plastic stabilizers (9), steel (5-10), steel warehouse (1-25), steel bathtubs, sinks, and lavatories (5), steel blanks (10), steel bars and structurals (10), steel scrap (2-20), steel products (5), transistors (5), vitamins and materials (5-10), waste paper (10), wire-electric (15).

This Week's

Purchasing Perspective

APRIL 4-10

(Continued from page 1)

In short—the direction is still up, but gradually.

• **BUYING POLICY**—Here's how the Cleveland P.A. business survey group assesses current production-vs-delivery schedules: 90-day lead time is being replaced by 60-day leads. A year ago 52% of the members bought on a 90-day lead basis; now only 28% do so. Thirty-day buyers also are increasing as more confidence is manifested in delivery schedules. The same pattern continues in both MRO and capital goods areas.

• **STATUS SYMBOL**—An interesting sidelight to fleet car economy analyses is that prestige or status often influences the reports. A top auto industry executive who read PURCHASING WEEK's recent article (March 21, pp 22-23) on how an Ohio utility tested the new compacts submitted this comment:

"It simply means that a rank-and-file employee who has worked himself up through Ford and Chevrolet to, let us say Oldsmobile, is seldom interested in economy unless he is buying his own car."

• **PROTECTION**—U. S. officials are preparing for tariff negotiating sessions with the European Common Market and Free Trade Association in Geneva next fall. By mid-April they will propose a tentative list of products and items on which they plan to offer tariff cuts. In doing so, they hope to go to Switzerland in a strong bargaining position to negotiate European reductions on barriers against U.S. exports.

But already domestic producers are registering protests against tariff cuts on imports that compete with their products. More will come after the initial list is published.

Lining up against more cuts are producers of a long list of chemicals and drug products, textiles, textile machinery, hardware, and metal products.

• **PERSONAL**: Your wife soon may do the family dry-cleaning in a coin-operated, do-it-yourself machine at a local self-service cleaning establishment. Machines now being test-operated at various laundries dry-clean nine pounds of clothing—four trousers and a sport coat—at a cost of 75¢ to \$1.

Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	2,527	2,597*	2,638
Autos, units	137,241	145,852*	121,832
Trucks, units	28,805	27,394*	25,535
Crude runs, thous bbl. daily aver	7,945	7,857	8,007
Distillate fuel oil, thous bbl	12,846	12,874	13,281
Residual fuel oil, thous bbl	7,278	7,025	6,867
Gasoline, thous bbl	28,003	27,712	28,060
Petroleum refineries operating rate, %	81.4	80.5	83.0
Container board, tons	155,557	167,544	159,171
Boxboard, tons	102,523	97,337	100,849
Paper operating rate, %	95.3	97.5*	94.1
Lumber, thous of board ft	250,517	250,088	249,119
Bituminous coal, daily aver thous tons	1,453	1,309*	1,323
Electric power, million kilowatt hours	13,951	14,109	12,709
Eng const awards, mil \$ Eng News-Rec	383.6	453.5	338.3

*Revised

Late News in Brief

House Okays Sell-Off

Washington—The House last week passed and sent to the Senate legislation to allow the government to sell off 470,000 tons of stockpiled natural rubber at a minimum price of 30¢ per lb.

Under the program, the Government will sell 9,000 tons per quarter when the market price ranges between 30-32¢, 18,000 tons when the price is between 33-34¢, and 27,000 tons when it is between 34-36¢. No rubber will be sold when the market drops below 30¢.

Sales, New Orders Up

Washington—New Commerce Department study shows business is still in pretty good shape. Factory sales for February are estimated at \$31.6 billion—a full half billion above January levels. New orders are also up—by an even bigger \$700-million.

Hint Steel Hikes in '61

Pittsburgh—Wheeling Steel Corp., most vocal of the major producers in predicting eventual price increases, now suggests the industry may have to hold off until early 1961. Company officials told a director's meeting last week that the full effect of increased steel labor costs won't hit until next year.

No Sides on Lead and Zinc

Washington—The Tariff Commission by a 4-2 vote last week refused to take sides in the running battle over imports of lead and zinc. In a special report to Congress ordered by the Senate Finance Committee, the commission reviewed the impact of foreign import competition since 1954. The majority declined to make "specific findings of fact" as to what, if any, additional import restrictions are necessary to keep domestic lead-zinc production on a "sound and stable basis," as asked by the Senate directive.

Typewriter Makers Pursue Fight For 30% Import Duty Before ICC

(Continued from page 1)
International Business Machines—did not join the relief petition.

On top of that, 12 retail dealers, representing some 5,000 typewriter distributorships across the country, testified that at least half their sales volume is dependent on imports—but at prices equivalent to or higher than domestic machines.

On the price issue, Emerson E. Mead, executive vice president of Smith-Corona, contradicted the retailers. "We have seen a tremendous growth in the U. S. market for portable typewriters," he said. "During the past 10 years, annual consumption has more than doubled."

"While Smith-Corona Marchant has been able to hold its leading position, the squeeze on profits resulting from the duty-free imports of low-cost typewriters has forced the company to operate with substantially reduced profit margins—and this makes relief in the form of a U. S. tariff necessary."

Mead added that while imports of standard typewriters have not reached the same level as portables, "they have an even greater impact on the price structure."

Both Royal McBee and Smith-Corona cited increases in import competition, which has risen from 75,000 units in 1953 to a current annual rate of 450,000.

The Special Typewriter Importers' Group of the National Council of American Importers countercharged that 30% of the imports are machines manufactured by U. S. companies at subsidiary or branch plants abroad and sold in the U. S. under their domestic brand names.

Royal McBee, for example, is the second largest U. S. importer of typewriters, the opponents of the petition testified.

This is the most controversial point in the tariff request case,

but an official of one of the petitioners explained it this way:

"We're willing to swallow our own prescription and have duties placed on the machines we import back. What we really want is to stabilize the price structure throughout the U. S. office machine industry."

A. B. Dick Co. Must Reply To Justice Department

Cleveland—A. B. Dick Co., Chicago, must answer a Justice Dept. charge that it violated a 1948 antitrust consent decree. The charge involves A. B. Dick's activities in the sale of stencil duplicating supplies.

The antitrusters told a Federal District Court here that beginning in 1952 the company violated the provisions of the consent decree it signed 12 years ago. The government cited A. B. Dick for violations in these three categories:

(1) Enforcing a quota system on its distributors, which kept third parties from using those distributors as outlets for products, particularly mimeograph impression paper.

(2) Purchasing 14 companies engaged in the sale of duplicating machines, stencils, or duplicating supplies.

(3) Entering into and enforcing plans or programs with some of its distributors which foreclosed those distributors from selling supplies to government and other tax-supported institutions in competition with Dick.

In commenting on the government action, John T. Haslett, general counsel for A. B. Dick, said in Chicago that the company has adhered meticulously to all the provisions of the 1948 consent decree and that it "will present evidence of no violation of law when the case is heard."

Safety Equipment Turns Stylish

(Continued from page 1)

no such thing as colored safety helmets. Shipbuilders started using them to identify various trades, and now few workers wear plain hats."

Most companies exhibiting at the show think that the safety equipment market has yet to be fully exploited. Manufacturers of safety glasses, for example, have introduced lines of noise protectors and hard hats—with more items in the planning stage. Company spokesmen stressed small plants as a big sales target.

"Big companies like GM and Du Pont have safety equipment coming out of the ears, but there are thousands of small companies that don't have even the simplest protection," one official said.

A parallel move towards standardization is accompanying style and comfort trends. The universal bridge being used in new safety goggle design allows one set of glasses to fit a wide variety of workers. And new dust protectors use a single mask with a set of interchangeable filters to adapt the mask to special hazards.

Here's a rundown on what the safety manufacturers are showing:

Glasses: Makers are pushing comfort and versatility. Universal bridge cuts down on inventory, but companies still recommend having an expert fit employees. New line of American Optical goggles for chippers and welders fits over correction spectacles—sell for \$3.15 to \$4.35.

Shoes: Emphasis on style is universal—you can't tell safety shoes from everyday footwear. Manufacturers are vulcanizing soles to shoe body to get a waterproof fit. Lehigh Safety Shoe Co.'s new loafer safety shoe sells for under \$10. Hy-Test Safety Shoe Co.'s new line of oxfords sells for \$9.50 to \$11.85 per pair.

Respirators: New dust masks are lighter, filters are reusable. Lightweight "nuisance dust" protector manufactured by Watchmoke Optical Co. weighs only one oz. and one-piece molded urethane foam filter can be washed. Respirator is priced at \$1.95.

Pulmosan Safety Equipment Co.'s new Respir-ette uses throw-away filter, sells for \$1.30. Welsh Mfg. Co. uses a removable washable plastic filter in its Bantam, priced at \$1.35.

Hats: New materials are lighter, more comfortable. Reinforced plastics give high strength

at low weight. Replaceable snap-in plastic suspensions are washable. Fibre-Metal Products Co.'s safety hats have adjustable suspension to allow worker to raise, lower, or tilt hat to suit his personal preference.

Gloves: New Materials give added life. Disposable polyethylene gloves are designed for throwaway use. New Olympic Glove Co.'s butyl gloves at \$25 a pair are said to resist corrosive compounds and "exotic" chemicals. Miller Products Co. says its new line of latex gloves at \$5.50 a dozen pairs sells for "considerably" less than comparable products.

Clothing: Protective body wear is lighter, more comfortable. David Co.'s lightweight vinyl rainsuit (hood, jacket, and overalls) is called a real price breakthrough at \$5.70.

Standard Safety Equipment Co.'s new shoulder-mounted

hood takes entire weight off wearer's head. Priced at \$29.92, the hood has a 20-in. wide acetate window for greater visibility.

Noise: Companies are now paying more attention to noise. Mine Safety Appliance Co.'s noise integrator gives average noise level in industrial areas (priced at \$175). David Clark Co.'s ear protectors reduce harmful noise level to safe intensity. They are priced at \$12 a pair.

Fires: Major extinguisher companies are selling pressurized dry chemical extinguishers. They now are concentrating on developing an ABC all-purpose powder. Pyrotechnics' new "Pyra-larm" fire detection system reveals fire in first stage, before smoke and heat have a chance to develop. Company claims that this "ionic" system gives far better protection than conventional rate-of-heat-rise indicators.

'Nolo Contendere' Isn't Enough

Philadelphia—"Guilty" or "not guilty" pleas must be filed this Friday by 10 electric equipment manufacturers who previously pleaded *nolo contendere* (no contest) to criminal antitrust price fixing charges.

The Justice Department scored a big victory, on a seldom-won point when U.S. District Court Judge J. Cullen Ganey ordered a new arraignment for the defendant firms. Ganey said the cases are "extraordinary" and that he felt "constrained to follow the judgment" of Attorney General William Rogers who termed charges against 14 companies and 18 company officials involved in the antitrust indictments returned here in February as serious as any ever brought under antitrust laws.

If the companies join with General Electric, Westinghouse, and the remaining firms that already have entered "not guilty" pleas, the trial—probably before a jury—will take place at a time set by Judge Ganey.

Government antitrust attorneys argued that the "ends of justice would be thwarted" by allowing any of the indicted companies to enter *nolo* pleas. In effect, a *nolo* plea allows imposition of fines as if a person has been found guilty, but the difference primarily is that it cannot be used as evidence of a violation of law in any later damage suits against the companies.

Defendant companies that must switch their previous *nolo*

pleas include: Allis-Chalmers, Federal Pacific Electric, Ohio Brass, H. K. Porter, Lapp Insulator, Porcelain Insulator Corp., A. B. Chance, I-T-E Circuit Breaker, Joslyn Mfg. & Supply, and Hubbard & Co.

Study of Residual Fuel Oil Shortage Scheduled By Federal Trade Group

Washington—A cabinet level study is under way to investigate reports of an imminent East Coast shortage of residual fuel oil, which is used to fire industrial and commercial boilers.

At least one major importer of residual fuel oil has been saying privately that it will run out of residual by April 10. Two others are expected to exhaust their import allocations for residual fuel oil sometime during April.

Some importers have been applying pressure to top Interior Department officials to raise the level of residual fuel oil imports.

But, Interior Undersecretary Elmer Bennett has indicated that the government won't change the residual import level unless officials are convinced that the shortage is general and not restricted to a handful of firms.

Government oil specialists also are known to be curious about the fact that only a few importers are running out of residual fuel oil stocks.

Price Changes for Purchasing Agents

Item & Company	Amount of Change	New Price	Reason
INCREASES			
Naphthalene, crude, 78 degree, tankcars, lb. ....	.01	.06	short supply
Gum turps., So., gal. ....	.004	.514	
Orlon knitting yarn, lb. ....	.02-.05	....	wage hikes
Divi divi, ton.	\$2.00	\$72.00	incr. costs
REDUCTIONS			
Gasoline, Esso, Penn., dlr. & consumer tankwgs., gal. ...	.01	....	competition
Gasoline, super prem., Esso, Va. & West Va., dlr. tankwgn, gal. ....	.01	.194	competition
Oiticica oil, tanks, lb. ....	.005	.15	low demand
Platinum, metal, oz.	\$1.00	\$81.00	
Phthalate plasticizer price boosts announced for April 1 (See PW, March 21, p. 34) rescinded			
			competition



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